DOCUMENT RESUME

ED 416 767 HE 031 013

TITLE	Direct Loan Evaluation. Survey of Institutions Participating in the Federal Direct Loan and Federal Family Education Loan Programs: Academic Year 1996-97. Volume One--Summary Report [and] Volume Two--Technical Appendices.
INSTITUTION	Macro International, Inc., Calverton, MD.
SPONS AGENCY	Department of Education, Washington, DC. Planning and Evaluation Service.
PUB DATE	1998-00-00
NOTE	201p.; For related documents, see HE 031 010-015.
CONTRACT	EA93085001
PUB TYPE	Reports - Evaluative (142)
EDRS PRICE	MF01/PC09 Plus Postage.
DESCRIPTORS	*Federal Programs; Government School Relationship; Higher Education; National Surveys; *Participant Satisfaction; Program Administration; Program Evaluation; Student Financial Aid; *Student Loan Programs; Trend Analysis
IDENTIFIERS	*Family Education Loan Program; *Federal Direct Student Loan Program

ABSTRACT

This study examined satisfaction of approximately 2,200 institutions of higher education that participated in the Federal Direct Loan and Federal Family Education Loan (FFEL) programs during the 1996-97 academic year. Among major findings were: (1) both Direct Loan and FFEL institutions were satisfied with their loan programs, although FFEL institutions indicated a significantly higher level of overall satisfaction; (2) between 1996 and 1997 the proportion of satisfied Direct Loan schools declined by 19 percent; (3) satisfaction among Direct Loan schools fell from 89 percent in 1994-95 to 64 percent in 1996-97 and satisfaction among FFEL schools rose from 68 percent to 89 percent; (4) schools participating fully in Direct Loan programs were more satisfied than schools phasing in the program, and schools participating fully in the FFEL program were more satisfied than were schools that participated in both programs; (5) there were no differences between programs in ease of program administration for 1996-97; and (6) both Direct Loan and FFEL institutions reported less satisfaction than in the previous year with timeliness and usefulness of Department of Education information and support. Technical appendices include detailed tables, data on distribution of responses and response rates, item response frequencies, specifics of the survey methodology, and the two surveys. (DB)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED 416 767

U.S. Department of Education
Office of the Under Secretary

Direct Loan Evaluation Survey of Institutions Participating in the Federal Direct Loan and Federal Family Education Loan Programs: Academic Year 1996-97

Volume One — Summary Report

1998

HE031013

BEST COPY AVAILABLE

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)
☑ This document has been reproduced as received from the person or organization originating it
☐ Minor changes have been made to improve reproduction quality
● Points of view or opinions stated in this document do not necessarily represent official OERI position or policy

Direct Loan Evaluation

Survey of Institutions Participating in the Federal Direct Loan and Federal Family Education Loan Programs: Academic Year 1996-97

Volume One—Summary Report

Contract No. EA93085001

Submitted to:

U.S. Department of Education
'OUS /Planning and Evaluation Service
600 Independence Avenue, S.W.
Washington, DC 20202

Project Officer, Steven Zwillinger

by:

Macro International Inc.
11785 Beltsville Drive
Calverton, Maryland 20705

1998

This report was prepared under the U.S. Department of Education, Contract Number EA93085001. The views expressed in this report do not necessarily reflect the position or policy of the Department, and no official endorsement by the Department should be inferred.

Acknowledgments

Macro gratefully acknowledges the guidance and support provided by Steven Zwillinger and Dan Goldenberg of the Planning and Evaluation Service, Office of the Under Secretary, U.S. Department of Education.

The cooperation of more than 2,200 institutions participating in the Federal Direct Loan and Federal Family Education Loan Programs enabled a thorough description of their experiences with the loan programs. This report would not have been possible without the time and effort contributed by financial aid administrators at the selected institutions.

Contents

Page Number

Highlights i

Objective i
Findings ii

Introduction 1

Overall Institutional Satisfaction with the Federal Student Loan Programs 3

Current Satisfaction 3
Current Satisfaction by Selected Institutional Characteristics 4
Current Satisfaction Compared to Previous Satisfaction 5
Satisfaction of Schools That Originated Loans in Both Programs 7
Important Attributes of the Loan Programs 8
Areas of Unmet Expectations in the Loan Programs 8
Recommendations for Improving the Loan Programs 9

Administration of the Direct Loan and FFEL Programs 11

Institutional Satisfaction With Loan Program Administration 11
Level of Change in Resources Required To Administer the Loan Programs 13
Level of Change in Work Load Resulting From Implementation of the Direct Loan Program 15

Communications and Support From the U.S. Department of Education, Lenders, and Guarantee Agencies 18

Materials and Training Provided by the U.S. Department of Education 18
Usefulness and Timeliness of Materials and Training Provided by ED 19
Frequency of Communications With Servicers Regarding Loan Repayment and Consolidation 21
Satisfaction With Communications With Servicers Regarding Loan Repayment and Consolidation 22
Satisfaction With the Department of Education's Loan Repayment and Consolidation Guidelines 22
Contact With the Department of Education's Regional Offices 23

Direct Loan Implementation Issues 26

Ease of Implementation Processes 26
Factors Influencing the Decision To Phase in or Switch Exclusively to the Direct Loan Program 26

Contents (cont'd)

Page Number

Satisfaction With the Department of Education's Responsiveness to Problems During Implementation 27
Recommendations to Institutions That Will Implement in the Future 27
Schools Formerly Participating or Awaiting Participation in Direct Lending 28

List of Exhibits

Exhibit		Page Number
H1	Overall Satisfaction With Loan Programs by Level of Participation	v
H2	Level of Effort Associated With Loan Program Administration Institutions Rating Level of Effort as Very Easy or Relatively Easy	v
1	Overall Satisfaction by Institutional Type and Control	5
2	Relative Satisfaction by Direct Loan Cohort	6
3	Overall Satisfaction With Loan Program by Level of Participation	8
4	Level of Effort Associated With Loan Program Administration Institutions Rating Level of Effort as Very Easy or Relatively Easy	11
5	Satisfaction With Loan Program Administration Activities	13
6	Changes in Resources Needed for the Delivery of Financial Aid	14
7	Changes in Work Load Resulting From Implementation of the Direct Loan Program	16
8	Direct Loan Satisfaction With Materials and Training Provided by the Department of Education	18
9	FFEL Satisfaction With Materials and Training Provided by ED/Lender/Guarantee Agencies	20
10	Direct Loan Versus FFEL Satisfaction With ED-Provided Materials and Training	21
11	Satisfaction With Communications With Servicers	22
12	Direct Loan Satisfaction With ED Regional Office Contact	25

List of Figures

Figure **Page Number**

H1 Overall Satisfaction With Loan Programs, Direct Loan Schools and FFEL Schools ii

H2 Overall Satisfaction With Loan Programs, Direct Loan Schools iii

1 Overall Satisfaction With Loan Programs, Direct Loan Schools and FFEL Schools 3

2 Overall Satisfaction With Loan Programs, Direct Loan Schools 4

3 Direct Loan and FFEL Institutional Satisfaction From 1994–95 to 1996–97 7

Highlights

This is the third annual report of customer satisfaction with the Federal Direct Loan and Federal Family Education Loan (FFEL) Programs.

Annual customer satisfaction surveys of institutions are one component of an overall evaluation of the Federal Direct Loan Program conducted by Macro International Inc. (Macro) under contract to the U.S. Department of Education (ED). These surveys are designed to determine the level of institutional satisfaction with the Federal Direct Loan and Federal Family Education Loan (FFEL) Programs.

This report is based on nationally representative samples of FFEL schools and schools that began participating in the Direct Loan Program during the 1994–95, 1995–96, and 1996–97 academic years. Approximately 2,200 institutions completed surveys between May and August of 1997, for an overall response rate of 82 percent. The same sample responded to our 1995 and 1996 surveys, and selected comparative findings are presented in this report.

Objective

The objective of this survey is to provide comparisons of institutional satisfaction and experiences with each program, including reported

- Quality and ease of loan program administration
- Satisfaction with communications and support from the Department of Education and other service providers (i.e., lenders and guarantee agencies).

Differences in institutional experiences were also examined over time and by several key institutional characteristics.[1]

BEST COPY AVAILABLE

---

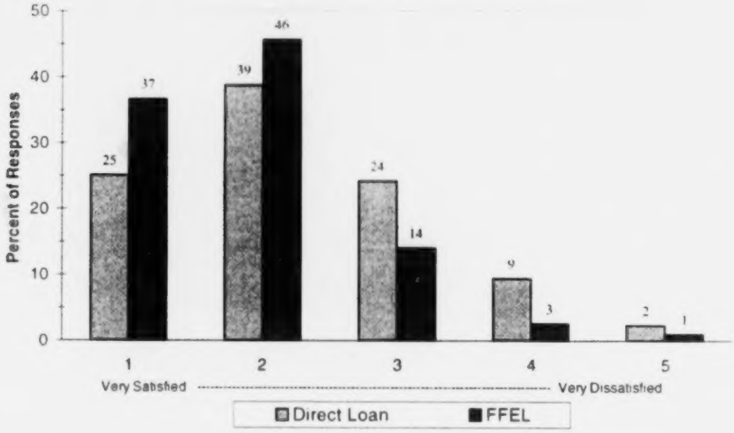
[1] Wherever comparative findings are presented in the text, only statistically significant differences are discussed. If an insignificant difference *is* mentioned, the reader will be alerted that the difference is not statistically significant.

Findings

In the 1996–97 academic year, both Direct Loan and FFEL institutions were generally satisfied with their respective loan programs, with only 6 percent of institutions expressing any dissatisfaction.[2] However as shown in Figure H1, FFEL institutions indicated a significantly higher level of overall satisfaction with their loan program than did Direct Loan institutions (82% for FFEL schools versus 64% for Direct Loan schools).[3]

FFEL institutions indicated a significantly higher level of overall satisfaction with their loan program than did Direct Loan institutions.

Figure H1
Overall Satisfaction With Loan Programs
Direct Loan Schools and FFEL Schools



As shown in Figure H2, the difference in satisfaction between the two loan programs appears to have been influenced by the lower level of satisfaction reported by the second-year Direct Loan schools, where only 62 percent were satisfied, compared with 69 percent of first-year Direct Loan schools and 70 percent of third-year Direct Loan schools.

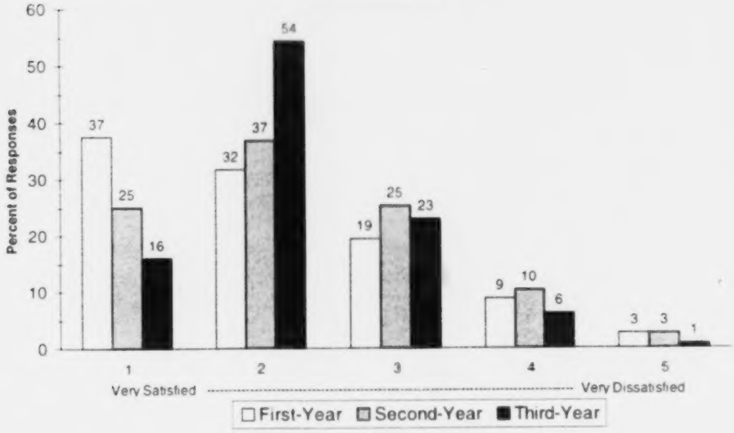
---

[2] For the purposes of this report, the term *satisfied* refers to those institutions that expressed their satisfaction as either a 1 or a 2 on a scale of 1 to 5, where 1 was *very satisfied* and 5 was *very dissatisfied*.

[3] Because of errors induced by rounding, the summing together of numbers in tables may not always produce the value given in the text. In these rare instances, the number in the text represents the correctly rounded sum.

BEST COPY AVAILABLE

Figure H2
Overall Satisfaction With Loan Programs
Direct Loan Schools



When comparing the 1996 and 1997 surveys, the proportion of satisfied Direct Loan schools fell significantly from 83 percent during the 1995–96 academic year to 64 percent in the 1996–97 academic year.[4] This drop in satisfaction was confirmed by the responses to the relative satisfaction question in the 1997 survey. That is, when Direct Loan schools were asked how this year's satisfaction compared to last year, both first-year and second-year schools indicated that, on balance, they were slightly less satisfied this year. However, third-year schools felt that they were significantly better off this year in the Direct Loan Program than last year, when they participated in the FFEL Program.

Between 1996 and 1997, the proportion of satisfied Direct Loan schools declined by 19 percentage points. However, third-year schools felt that they were significantly better off this year in the Direct Loan Program than last year, when they participated in the FFEL Program.

---

[4] This drop is satisfaction may have been caused by the significant difficulties, beginning in spring 1997, as the Department transitioned the Direct Loan origination contract from CDSI/AFSA to EDS, coinciding with the time that the 1996-97 institutional survey was in the field.

The recent drop in satisfaction among Direct Loan schools follows the decline that began when overall satisfaction declined significantly from 89 percent during the 1994–95 academic year to 83 percent during the 1995–96 academic year. This 3-year decline in satisfaction among Direct Loan schools was confirmed by an analysis of the individual cohorts themselves, where satisfaction among the first-year Direct Loan schools fell between the 1994–95 and 1996–97 academic years, just as satisfaction fell among the second-year Direct Loan schools between 1995–96 and 1996–97.

Over the last 3 years, satisfaction among Direct Loan schools has fallen significantly, from 89 percent in academic year 1994–95 to 64 percent in academic year 1996–97. However, over the same time period, satisfaction among FFEL schools has risen significantly, from 68 percent in academic year 1994–95 to 82 percent in academic year 1996–97.

Among the FFEL schools, satisfaction increased slightly, from 79 percent in 1995–96 to 82 percent in 1996–97, although the increase was not statistically significant. However, between the 1994–95 and 1996–97 academic years, satisfaction did increase among FFEL schools, increasing from 68 percent in 1994–95 to 82 percent in 1996–97.

Among all institutions, 78 percent were satisfied with the loan programs during the 1996–97 academic year, compared with 80 percent in 1995–96 and 68 percent in 1994–95. Although there were no differences in overall satisfaction between the 1995–96 and 1996–97 academic years, both years represented a significant improvement over the institutional satisfaction expressed during the 1994–95 academic year, suggesting that competition between the Direct Loan and FFEL Programs has increased overall institutional satisfaction with the loan programs.

During the 1996–97 academic year, 61 percent of Direct Loan institutions participated fully in the Direct Loan Program, while 39 percent of the schools offered loans through both the Direct Loan and FFEL Programs. As shown in Exhibit H1, those schools participating fully in the Direct Loan Program were more satisfied with the Direct Loan Program than were those schools phasing in the program (73% versus 48%). In a similar manner, schools participating fully in the FFEL Program were more satisfied with the FFEL Program than were schools participating in both programs (82% versus 68%).

Schools participating fully in Direct Lending were more satisfied with the Direct Loan Program than those schools phasing in the program, while schools participating fully in the FFEL Program were more satisfied with the FFEL Program than were schools participating in both programs.

Exhibit H1
Overall Satisfaction With Loan Programs by Level of Participation
(in percentages)

Level of Satisfaction	FFEL Satisfaction		DL Satisfaction	
	100%	Mixed	100%	Mixed
Very Satisfied	37	31	32	12
2	46	37	41	37
3	14	25	19	34
4	3	5	6	15
Very Dissatisfied	1	2	2	3

During the 1996–97 academic year, both Direct Loan and FFEL institutions reported that loan program administration required a moderate amount of work or effort. Furthermore, there were no differences between Direct Loan and FFEL schools in the level of administrative effort, nor were there any differences among the three cohorts of Direct Loan schools. However, as shown in Exhibit H2, over the last 3 academic years schools reported that the FFEL Program has become easier to administer, while the Direct Loan Program was harder to administer in 1996–97 than during either the 1994–95 or 1995–96 academic years.

During the 1996–97 academic year, there were no reported differences in the ease of program administration between Direct Loan and FFEL institutions. However, over the last 3 years the FFEL Program has become easier to administer, while the Direct Loan Program was harder to administer in 1996–97 than during either the 1994–95 or 1995–96 academic years.

Exhibit H2
Level of Effort Associated With Loan Program Administration
Institutions Rating Level of Effort as Very Easy or Relatively Easy
(in percentages)

Level of Effort	Direct Loan			FFEL		
	1994-95	1995-96	1996-97	1994-95	1995-96	1996-97
Very or Relatively Easy	61	60	47	29	36	41

BEST COPY AVAILABLE

There were no significant differences during the 1996-97 academic year between Direct Loan and FFEL schools in the level of effort required for loan program administration. However, since the Direct Loan Program began in 1994–95, participating institutions have become less satisfied with answering general questions about loans and financial aid, counseling borrowers while in school, processing loan origination records, processing promissory notes, requesting and receiving loan funds, and reconciling/monitoring and reporting finances. On the other hand, since 1994–95, FFEL institutions have become more satisfied with keeping up with regulations, answering general questions about loans and financial aid, counseling borrowers while in school, processing loan applications, requesting and receiving loan funds, disbursing loan funds, refunding excess loan funds to borrowers, reconciling/monitoring, and reporting finances, and helping students with their loans after they leave school.

When Direct Loan schools were asked to indicate the overall level of change in work load because of the implementation of Direct Lending, 63 percent indicated that their overall work load had increased, 21 percent said there had been no change, and 16 percent said their work load had decreased. The administrative functions most frequently cited as increasing institutional work load were reconciliation (reported by 75% of Direct Loan schools), training of financial aid staff (73%), providing cash management (61%), processing of loan applications and creation of origination records (54%), and keeping records and reporting (53%).

When Direct Loan schools were asked to indicate the overall change in work load due to the implementation of Direct Lending, 63 percent indicated that their overall work load had increased.

During the 1996–97 academic year, Direct Loan institutions were generally satisfied with the materials and training provided by the Department of Education, although they felt the materials were more useful than they were timely. However, FFEL schools were more likely to rate the materials and training provided by guarantee agencies and lenders as more timely and useful than those received from the Department of Education. When the responses from FFEL and Direct Loan schools on the materials and training provided to both programs by the Department of Education were compared, Direct Loan schools were more likely in all cases to rate the materials and training as both useful and timely.

During the 1996–97 academic year, Direct Loan institutions were generally satisfied with the materials and training provided by the Department of Education, although they felt the materials were more useful than timely.

When responses from the 1995–96 academic year were compared, it was seen that Direct Loan institutions in 1996–97 reported a decline in satisfaction with both the timeliness and usefulness of ED-provided information and support. In fact, Direct Loan institutions were more satisfied during the previous academic year with every type of information and support provided by the ED. In a similar manner, FFEL institutions also experienced a decline in satisfaction between the 1995–96 and 1996–97 academic years with both the timeliness and usefulness of not only the ED-provided material, but also material provided by lenders and guarantors.

When compared with the 1995–96 academic year, both Direct Loan and FFEL institutions in 1996–97 reported a decline in satisfaction with both the timeliness and usefulness of ED-provided information and support.

Among those schools first implementing the Direct Loan Program in 1996–97, a majority of institutions (56%) were satisfied with ED's responsiveness to their reported problems. However, a longitudinal comparison reveals a continued decline in satisfaction among those institutions first implementing the program, from 87 percent in 1994–89 to 79 percent in 1995–96, to 56 percent during 1996–97.

Introduction

Annual customer satisfaction surveys of institutions participating in the Title IV loan programs are one component of an overall evaluation of the Federal Direct Loan Program conducted by Macro International Inc. (Macro) under contract to the U.S. Department of Education (ED). These surveys are designed to determine the level of institutional satisfaction with the Federal Direct Loan and Federal Family Education Loan (FFEL) Programs. The objective of these surveys is to provide comparisons of institutional satisfaction and experiences with each program, including

- Overall quality and perceived ease of loan program administration
- Satisfaction with communications and support from the Department of Education and other service providers (i.e., lenders and guarantee agencies).

In addition to the areas of investigation listed above, changes in institutional experiences with aspects of loan program administration were reviewed over time for schools participating in the Direct Loan and FFEL Programs. This review was accomplished by comparing the responses of institutions participating in our 1995 and 1996 surveys with those of institutions responding to our 1997 institutional survey. Differences were also examined by several key institutional characteristics to determine if they were related to overall institutional satisfaction. For all institutions, differences in satisfaction were examined by

- Institutional type and control
- Loan volume
- Financial Aid Office structure
- Computer system.

For Direct Loan institutions, differences in satisfaction were also examined by

- Cohort level
- Software configuration
- Origination level.

For FFEL institutions, differences in satisfaction were also examined by

- Decisions regarding participation in the Direct Loan Program
- Number of lenders
- Number of guarantee agencies
- Current use of Electronic Funds Transfer (EFT).

The 1997 institutional survey was conducted using a mail survey methodology with computer-assisted telephone interviewing (CATI) followup; institutions also had the option of completing the questionnaire on the World-Wide Web. Data collection for the survey began on May 16, 1997, and continued through August 20, 1997. Extensive telephone and mail followup procedures were implemented in an effort to achieve the highest possible response rate.

The overall survey response rate was 82 percent, based on 2,212 responses from 2,714 eligible institutions. The response rate was 88 percent for first-year Direct Loan schools, 80 percent for second-year Direct Loan schools, 66 percent for third-year Direct Loan schools, and 82 percent for FFEL schools.[1] Detailed tables illustrating the number and percent of responses for each question, including response rates by institutional type and control and loan volume are included in the Technical Appendices in Volume Two.

Cross-tabs for the survey data were produced through the Statistical Analysis System (SAS), and significance tests were conducted using Westvar.[2] Whenever comparative findings between the Direct Loan and FFEL Programs are presented, tests for programmatic differences are done at the 5 percent level of significance *after* controlling for differences in both type and control and size among institutions participating in the two programs. As a result, any observed differences can be attributed to actual programmatic differences, rather than differences in the composition of schools participating in the two programs. However, whenever within-program comparisons were made (e.g., among the cohorts of Direct Loan schools), differences in both type and control and size were not controlled for since all institutions in the Direct Loan Program operate under the same set of rules.[3] For the interested reader, a complete description of the data processing and analysis can be found in the Survey Methodology section of the Technical Appendices in Volume Two.

The Technical Appendices in Volume Two also include

- The weighted data tables
- Weighted and unweighted frequencies
- A detailed description of the data collection methodology
- The survey instruments.

This volume of the report summarizes the findings of the 1997 survey.

---

[1] Throughout both volumes of the report, first-year Direct Loan schools are those that entered the Direct Loan Program in 1994–95, second-year Direct Loan schools are those that entered the Direct Loan Program in 1995–96, and third-year Direct Loan schools are those that entered the Direct Loan Program in 1996–97.

[2] Westvar was used instead of SAS, since Westvar automatically takes into account the sampling design and survey weights.

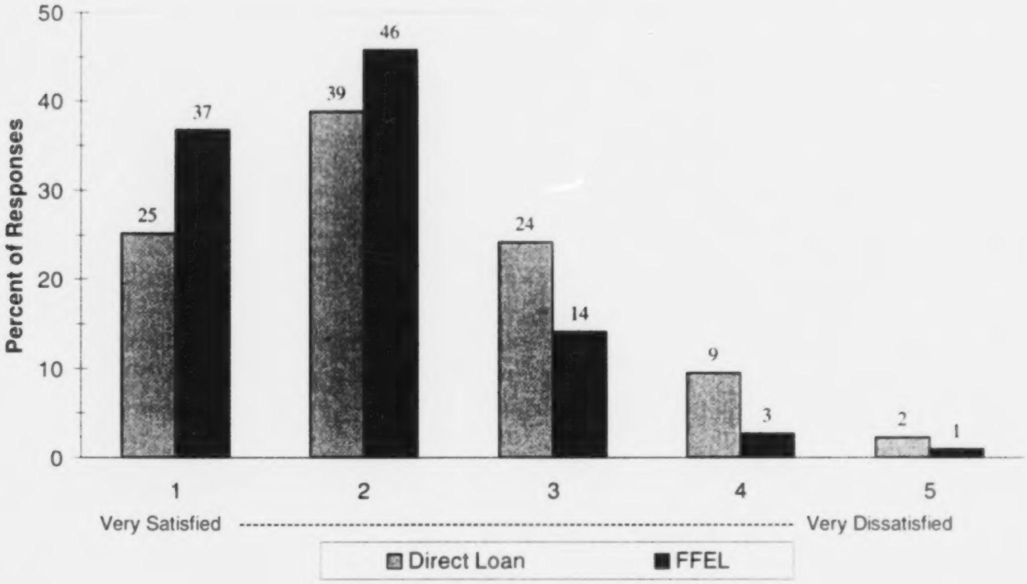
[3] Wherever comparative findings are presented in the text, only statistically significant differences are discussed. If an insignificant difference *is* mentioned, the reader will be alerted that the difference is not statistically significant.

Overall Institutional Satisfaction With the Federal Student Loan Programs

Current Satisfaction

In the 1996–97 academic year, both Direct Loan and FFEL institutions were generally satisfied with their respective loan programs, with only 6 percent of institutions expressing any dissatisfaction. [4] However, as shown in Figure 1 (and in Table 1–1 found in the technical appendices[5]), FFEL institutions indicated a significantly higher level of overall satisfaction with their loan program than did Direct Loan institutions (82% for FFEL schools versus 64% for Direct Loan schools).[6]

Figure 1
Overall Satisfaction With Loan Programs
Direct Loan Schools and FFEL Schools



---

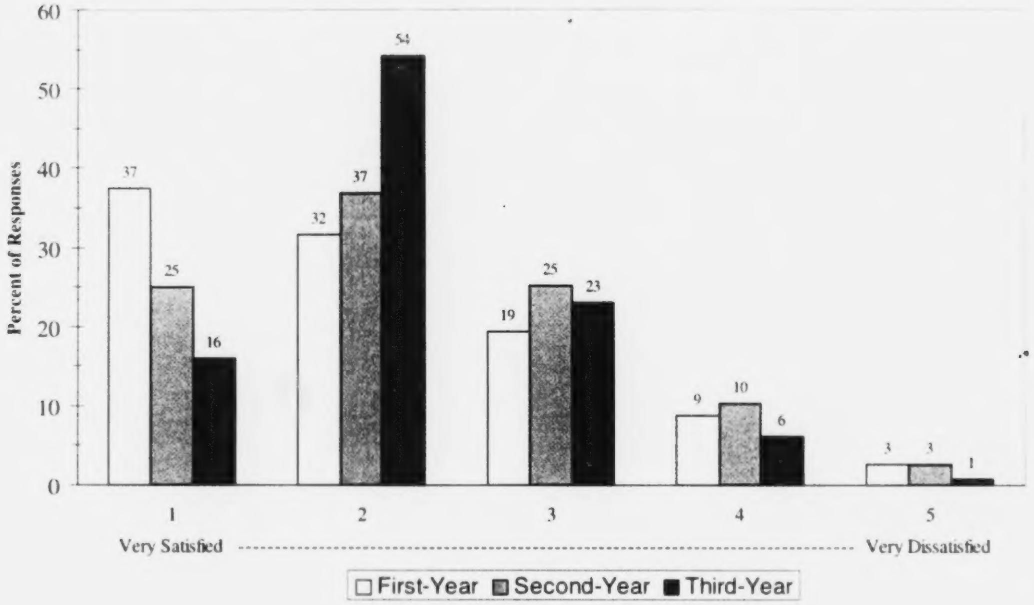
[4] For the purposes of this report, the term *satisfied* refers to those institutions that expressed their satisfaction as a 1 or a 2 on a scale of 1 to 5, where 1 was *very satisfied* and 5 was *very dissatisfied*.

[5] All tables referenced are found in the technical appendices in Volume II.

[6] Because of errors induced by rounding, the summing together of numbers in tables may not always produce the value given in the text. In these rare instances, the number in the text represents the correctly rounded sum.

The difference in satisfaction between the two loan programs appears to have been influenced by the lower level of satisfaction reported by the second-year Direct Loan schools, where only 62 percent were satisfied, compared with 69 percent of first-year Direct Loan schools and 70 percent of third-year Direct Loan schools (Figure 2).

Figure 2
Overall Satisfaction With Loan Programs
Direct Loan Schools



Current Satisfaction by Selected Institutional Characteristics

In addition to examining institutional satisfaction levels by program and cohort, differences in satisfaction were also examined by several key institutional characteristics. Among all schools, there were no differences in satisfaction by loan volume, financial aid office structure, or type of computer system used, although differences did exist by type and control. As shown in Exhibit 1 (and Table 1-2), 4-year private institutions were significantly more likely to be satisfied with their loan program than were proprietary institutions (82% versus 73%).

Exhibit 1
Overall Satisfaction by Institutional Type and Control
(in percentages)

Level of Satisfaction	Institutional Type and Control				
	4-Year Public	2-Year Public	4-Year Private	2-Year Private	Proprietary
Very Satisfied	37	34	34	34	32
2	42	44	48	46	41
3	17	19	13	16	19
4	3	4	4	3	6
Very Dissatisfied	2	1	1	1	2

Among FFEL institutions, there were no differences in satisfaction by loan volume, number of guarantee agencies used, or by current use of EFT, although there were differences in satisfaction by the number of lenders and an institution's plans for participation in the Direct Loan Program. Specifically, those schools that applied for participation in Year 4 of the Direct Loan Program and whose application was either pending or accepted, and those schools that had their application for Direct Loan Program participation rejected exhibited the lowest satisfaction with the FFEL Program, followed by those schools either planning on applying to the Direct Loan Program or currently participating in both programs (Table 1-3). In terms of the number of lenders, those schools with three to five lenders expressed the highest level of satisfaction, followed by schools with 11 to 20 lenders (Table 1-4).

Among Direct Loan institutions, there were no differences in satisfaction by either cohort level, loan volume, origination level, or software configuration.

Current Satisfaction Compared to Previous Satisfaction

When comparing the 1996 and 1997 surveys, the proportion of satisfied Direct Loan schools fell significantly, from 83 percent during the 1995–96 academic year to 64 percent in the 1996–97 academic year (see Table 1-5).[7] This drop in satisfaction was confirmed by the responses to the relative satisfaction question in the 1997 survey. As shown in Exhibit 2 (and Table 1-6), when Direct Loan schools were asked how this year's satisfaction compared to last year's, both first-year and second-year schools indicated that, on balance, they were slightly less satisfied this year, while

---

[7] This drop in satisfaction may have been caused by the significant difficulties, beginning in spring 1997, as the Department transitioned the Direct Loan origination contract from CDSI/AFSA to EDS, coinciding with the time that the 1996-97 institutional survey was in the field.

BEST COPY AVAILABLE

third-year schools felt that they were significantly better off this year in the Direct Loan Program than last year when they participated in the FFEL Program.

Exhibit 2
Relative Satisfaction by Direct Loan Cohort
(in percentages)

Level of Satisfaction	Direct Loan Program Participation		
	1st Yr.	2nd Yr.	3rd Yr.
Increased	21	28	38
Remained the Same	49	38	57
Decreased	30	34	5

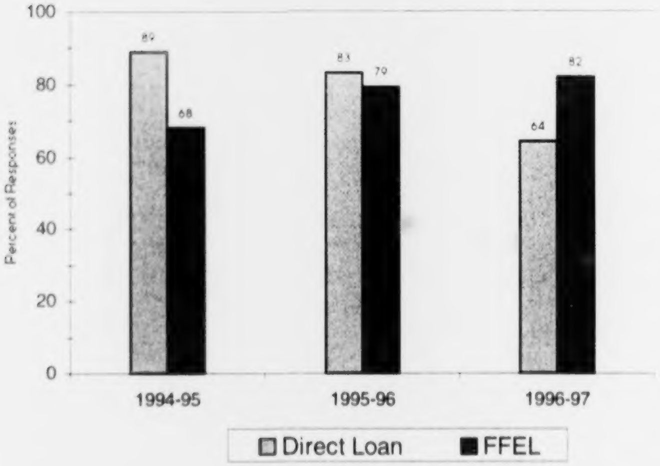
As shown in Figure 3, the recent drop in satisfaction among Direct Loan schools (from 83% during the 1995–96 academic year to 64% during the 1996–97 academic year) follows the decline in institutional satisfaction that began during the second survey year (from 89% during the 1994-95 academic year to 83% during the 1995-96 academic year). This 3-year decline in satisfaction among Direct Loan schools was confirmed by an analysis of the individual cohorts themselves, where satisfaction among the first-year Direct Loan schools fell between the 1994–95 and 1996–97 academic years, just as satisfaction fell among the second-year Direct Loan schools between 1995–96 and 1996–97.

Among the FFEL schools, satisfaction increased slightly from 79 percent in 1995–96 to 82 percent in 1996–97, although the increase was not statistically significant. However, between the 1994–95 and 1996–97 academic years, satisfaction did increase among FFEL schools, increasing from 68 percent in 1994–95 to 82 percent in 1996–97.

Among all institutions, 78 percent were satisfied with the loan programs during the 1996–97 academic year, compared with 80 percent in 1995–96 and 68 percent in 1994–95. Although there were no differences in overall satisfaction between the 1995–96 and 1996–97 academic years, both years represent a significant improvement over the institutional satisfaction expressed during the 1994–95 academic year, suggesting that competition between the Direct Loan and FFEL Programs has increased overall institutional satisfaction with the loan programs (Table 1-8).

BEST COPY AVAILABLE

Figure 3
Direct Loan and FFEL Institutional Satisfaction
From 1994-95 to 1996-97
(in percentages)



Satisfaction of Schools That Originated Loans in Both Programs

During the 1996–97 academic year, 61 percent of Direct Loan institutions participated fully in the Direct Loan Program, originating Direct Loans exclusively. A smaller group, 39 percent, also originated loans in the FFEL Program.

Among institutions participating in both programs, there were significant differences observed in FFEL and Direct Loan satisfaction. As shown in Exhibit 3 (and Table 1-9), schools participating fully in the Direct Loan Program were more satisfied with the Direct Loan Program than those schools phasing in the program (73% versus 48%), and in terms of FFEL satisfaction, those schools participating fully in the FFEL Program were more satisfied with the FFEL Program than were schools participating in both program (82% versus 68%) (Tables 1-10 and 1-11).

A majority of schools administering both programs reported that students' access to loans, ease of administration of the FFEL Program, service from loan servicers and collections agencies, and service from third-party servicers have remained unchanged in their administration of the FFEL Program. Schools also reported that services from banks and guarantee agencies had improved since the introduction of Direct Loans, with 56 percent of schools citing an improvement and only 2 percent saying that services had worsened.

Exhibit 3
Overall Satisfaction With Loan Program by Level of Participation
(in percentages)

Level of Satisfaction	FFEL Satisfaction		DL Satisfaction	
	100%	Mixed	100%	Mixed
Very Satisfied	37	31	32	12
2	46	37	41	37
3	14	25	19	34
4	3	5	6	15
Very Dissatisfied	1	2	2	3

Important Attributes of the Loan Programs

Consistent with the results of both the 1995 and 1996 institutional surveys, the ability to serve borrowers well was the most frequently mentioned attribute of the loan programs, mentioned by 77 percent of all institutions. The next two most frequently mentioned attributes among all schools were the predictability of loan funds (54%) and the flexibility of loan repayment options (44%).

When comparing the loan programs, Direct Loan schools were more likely than FFEL schools to list the flexibility of loan repayment options as an attribute (61% versus 38%), while FFEL schools were more likely than Direct Loan schools to list the following as attributes (Tables 1-12 and 1-13):

- Ability to serve borrowers well (78% versus 73%)
- Predictability of loan funds (56% versus 45%)
- Viability of the program (38% versus 28%)
- Cost-effective administration of program (30% versus 20%).

There were no differences among the three cohorts of Direct Loan schools.

Areas of Unmet Expectations in the Loan Programs

Among all institutions, simplicity of administration was the most frequently mentioned area of unmet expectation, with 23 percent of all institutions listing this area, followed by the cost-effectiveness of the program (15%), and the flexibility of loan repayment options (8%). All of the other choices were mentioned by less than 5 percent of institutions, suggesting that institutions were generally pleased with the loan programs.

BEST COPY AVAILABLE

When comparing the loan programs, Direct Loan schools were more likely than FFEL schools to list the following as areas of unmet expectations:

- Simplicity of loan program administration (32% versus 20%)
- Cost-effectiveness of the program (21% versus 12%)
- Viability of the program (6% versus 2%)
- Predictability of loan funds (8% versus 4%).

FFEL schools were more likely than Direct Loan schools to list the flexibility of loan repayment options as an area of unmet expectation (9% versus 3%) (Tables 1-14 and 1-15).

Among the three cohorts of Direct Loan schools, there were several significant differences. For example, second-year schools were more likely than both first-year and third-year schools to mention borrowers' being well served as an area of unmet expectation, while second-year schools were more likely than first-year schools to mention simplicity of administration as a concern. In terms of program viability, second-year schools were more likely than third-year schools to express this area of unmet expectation, while both first- and second-year schools were more likely to mention the predictability of loan funds than were third-year schools. The area of cost-effectiveness was more of a concern to second-year schools than to either first- or third-year schools, while the flexibility of loan repayment options was listed as an area of unmet expectation more frequently by second-year schools than by third-year schools (Table 1-14).

Recommendations for Improving the Loan Programs

In the 1997 survey, Direct Loan schools were given an open-ended opportunity to comment on any aspect of the Direct Loan Program. Their comments fell largely into two groups—correcting problems with the Loan Origination Center (LOC) (mentioned by 43% of respondents) and improving software and technical support (mentioned by 18% of respondents).[8]

When Direct Loan institutions were asked what specific recommendations they would give to the Department of Education on how to improve its administration of the Direct Loan Program, the most frequently volunteered recommendations were

- Better/more LOC representatives (7%)
- Improve customer service of Montgomery servicer (7%)
- Improve overall performance of Montgomery servicer (general) (6%)
- Improve ED Express/software quality, functions, or documentation (6%)
- Improve reconciliation process (6%)
- Expand training locally (6%).

---

[8] For a complete listing of responses, readers are referred to Appendix C of Volume 2.

FFEL institutions offered more varied recommendations. When asked what specific recommendations they would give to the Department of Education or loan servicers on how to improve the administration of the FFEL Program, institutions volunteered the following recommendations most frequently:

- Simplify regulations (6%)
- Need clear/regular communications with students (4%)
- Don't penalize schools for student defaults (4%)
- Revise application forms/use FAFSA (3%).

Administration of the Direct Loan and FFEL Programs

Institutional Satisfaction With Loan Program Administration

During the 1996–97 academic year, both Direct Loan and FFEL institutions reported that loan program administration required a moderate amount of work or effort. Furthermore, there were no differences in effort between Direct Loan and FFEL schools, nor were there any differences among the three cohorts of Direct Loan schools. However, as shown in Exhibit 4 (and Table 2-2), over the last 3 academic years schools reported that the FFEL Program has become easier to administer, while the Direct Loan Program was harder to administer in 1996–97 than during either the 1994–95 or 1995–96 academic years.

Exhibit 4
Level of Effort Associated With Loan Program Administration
Institutions Rating Level of Effort as Very Easy or Relatively Easy
(in percentages)

Level of Effort	Direct Loan			FFEL		
	1994-95	1995-96	1996-97	1994-95	1995-96	1996-97
Very or Relatively Easy	61	60	47	29	36	41

As shown in Exhibit 5 (and in Table 2-3), institutions in both the Direct Loan and FFEL Programs indicated that they were generally satisfied with the activities involved in administering their respective loan programs.[9] For example, at least nine out of every 10 institutions said they were satisfied with the following activities:

- Answering general questions about loans and financial aid (96%)
- Counseling borrowers while in schools (95%)
- Requesting and receiving loan funds (94%)
- Disbursing loan funds (91%).

At least eight out of every 10 institutions were satisfied with the following activities:

- Keeping up with regulations (89%)
- Refunding excess loan funds to borrowers (88%)
- Helping students with loans after they left school (85%)
- Reconciling/monitoring and reporting finances (82%).

---

[9] Although most of the administrative activities listed in our survey were common to both loan programs, some of them were program specific, so that comparisons for all activities were not possible.

The only administrative activity receiving a satisfaction rating lower than 80 percent was recordkeeping and reporting of student information, for which 76 percent of all institutions reported that they were satisfied.

However, in a comparison of the responses from Direct Loan and FFEL institutions, Direct Loan schools were more satisfied than FFEL schools in

- Keeping up with regulations (93% versus 88%)
- Refunding excess loan funds to borrowers (91% versus 87%)
- Helping students with loans after they left school (89% versus 83%) (Table 2-3).

FFEL schools were more satisfied than Direct Loan schools with

- Requesting and receiving loan funds (96% versus 91%)
- Reconciling/monitoring and reporting finances (89% versus 60%)
- Recordkeeping and reporting student information (77% versus 71%) (Table 2-3).

Since the Direct Loan Program began in 1994–95, participating institutions have become less satisfied with

- Answering general questions about loans and financial aid
- Counseling borrowers while in school
- Processing loan origination records
- Processing promissory notes
- Requesting and receiving loan funds
- Reconciling/monitoring and reporting finances.

FFEL institutions have become more satisfied with

- Keeping up with regulations
- Answering general questions about loans and financial aid
- Counseling borrowers while in school
- Processing loan applications
- Requesting and receiving loan funds
- Disbursing loan funds
- Refunding excess loan funds to borrowers
- Reconciling/monitoring and reporting finances
- Helping students with their loans after they left school (Table 2-4).

Exhibit 5
Satisfaction With Loan Program Administration Activities
(in percentages)

Types of Activities	Loan Program Participation		
	DL	FFEL	ALL
Keeping Up With Regulations	93	88	89
Answering General Questions About Loans and Financial Aid	94	97	96
Counseling Borrowers While in School	96	95	95
Processing Origination Records	88	NA	NA
Processing Promissory Notes	82	NA	NA
Requesting and Receiving Loan Funds	89	96	94
Disbursing of Loan Funds	93	90	91
Refunding Excess Loan Funds to Borrowers	90	87	88
Reconciliation/Financial Monitoring and Reporting	62	89	82
Recordkeeping and Reporting of Student Information	72	77	76
Helping Students with Loans After They Have Left School	90	83	85

Level of Change in Resources Required To Administer the Loan Programs

As shown in Exhibit 6 (and in Table 2-5), when schools were asked if there had been a change in the resources needed for the delivery of financial aid between the 1995–96 and 1996–97 academic years, Direct Loan schools were more likely than FFEL schools to have reported increases in the

- Number of permanent or temporary staff related to financial aid (21% versus 16%)
- Number of staff used for technical support (29% versus 14%)
- Number of hours current staff work (45% versus 34%)
- Resources required for equipment and computers (68% versus 50%)
- Resources required for supplies (52% versus 34%)
- Funds for training (43% versus 21%)
- Funds for staff travel (42% versus 21%)
- Resources required for the development and modification of computer programs and procedures (73% versus 57%).

When the Direct Loan schools were examined for changes over time, several significant differences emerged. For example, schools participating in the Direct Loan Program in 1995–96 were more likely to have had a smaller increase in the number of permanent or temporary staff positions than Direct Loan schools did in 1996–97, and they were also more likely to have had smaller increases in the number of hours staff worked and smaller increases in the amount spent on supplies than Direct Loan schools had in 1996–97. However, Direct Loan schools in 1996–97, as well as those in 1995–96, were more likely to have seen smaller increases in funds for staff travel than were those schools participating during the 1994–95 academic year (Table 2-6).

Differences also emerged among Direct Loan schools by type and control (Table 2-7). In general, proprietary schools were more likely to have had smaller increases than several other types of schools in the

- Number of permanent or temporary staff
- Number of staff used for technical support
- Number of hours worked by current staff
- Spending on equipment and computers
- Supplies
- Funds for staff travel
- Development and modification of computer programs and procedures.

Exhibit 6
Changes in Resources Needed for the Delivery of Financial Aid
(in percentages)

Types of Resources	Loan Program Participation					
	Direct Loan			FFEL		
	Increase	Same	Decrease	Increase	Same	Decrease
Number of Permanent or Temporary Staff Positions Related to Financial Aid	21	74	5	16	79	5
Number of Staff Positions in Accounting or Business Office	11	87	2	11	85	3
Number of Staff Used for Technical Support	29	68	2	14	82	4
Number of Hours Current Staff Work	45	49	7	34	63	4
Equipment/Computers	68	30	1	50	49	1
Supplies (postage, copying, etc.)	52	42	6	34	62	5
Funds for Training	43	54	3	21	75	4
Funds for Staff Travel	42	56	2	21	73	5
Development/Modification of Computer Programs/Procedures	73	26	1	57	41	2

BEST COPY AVAILABLE

When the FFEL schools were examined for changes over time, significant differences also emerged. In terms of the number of permanent or temporary staff positions, the hours current staff work and the amount spent on supplies, FFEL schools in both 1995–96 and 1996–97 experienced smaller increases than did those schools participating in the FFEL Program in 1994–95. However, those schools participating in the FFEL Program in 1994–95 experienced smaller increases in equipment and computer purchases, as well as in funds spent on the development and modification of computer programs and procedures, than did FFEL schools in 1996–97. Finally, FFEL schools in 1995–96 were more likely to have had smaller increases in funds for training and staff travel than they had in either 1994–95 or 1996–97 (Table 2-6).

Among the FFEL schools, differences also existed by type and control (Table 2-8). In general, 2-year public institutions had smaller increases than did several other types of schools in the

- Number of permanent or temporary staff positions
- Number of staff positions in the accounting or business office
- Number of staff used for technical support
- Number of hours worked by current staff
- Spending on equipment and computers
- Funds for training
- Funds for staff travel
- Development and modification of computer programs and procedures.

Level of Change in Work Load Resulting From Implementation of the Direct Loan Program

When Direct Loan schools were asked to indicate the overall level of change in work load due to the implementation of Direct Lending, 63 percent indicated that their overall work load had increased, 21 percent said there had been no change, and 16 percent said their work load had decreased. As shown in Exhibit 7, the administrative functions most frequently cited as increasing institutional work load were

- Reconciliation (reported by 75% of Direct Loan schools)
- Training of financial aid staff (73%)
- Cash management (61%)
- Processing of loan applications and creation of origination records (54%)
- Recordkeeping and reporting (53%) (Table 2-9).

When the overall level of change in work load was examined by the Direct Loan cohort, significant differences emerged. For example, both the second-year and third-year Direct Loan schools experienced a greater increase in work load than did the first-year Direct Loan schools (64% and 73%, respectively, reported an increase versus 44%). In fact, when broken out into the various administrative functions, third-year Direct Loan schools experienced more work than first-year

Direct Loan schools in training financial aid staff (79% versus 64%) and requesting and receiving loan funds (44% versus 38%), while second-year Direct Loan schools experienced more work than first-year Direct Loan schools in training financial aid staff (73% versus 64%), counseling borrowers (59% versus 24%), and cash management (64% versus 46%). Third-year Direct Loan schools experienced more work in requesting and receiving loan funds (44% versus 38%) than did second-year Direct Loan schools (Table 2-10).

Exhibit 7
Changes in Work Load Resulting From Implementation of the Direct Loan Program
(in percentages)

Administrative Function	All Direct Loan Institutions		
	Decrease	Same	Increase
Overall Level of Change in Work Load	16	21	63
Training Financial Aid Staff	3	25	73
Counseling Borrowers on Direct Loan Program	3	61	35
Processing Loan Applications Creating Origination Records	20	26	54
Verifying Enrollment	7	69	25
Advising Students on Status of Loans	16	57	27
Requesting and Receiving Loan Funds by Institution	22	40	38
Disbursing Loan Funds to Students	27	44	29
Recordkeeping and Reporting	14	33	53
Providing Cash Management	13	26	61
Handling Reconciliation	6	19	75

An examination by type and control also yielded several significant differences. For example, 4-year public institutions experienced less of an increase in work load than did all other types of institutions. In terms of specific administrative functions, 2-year public schools were more likely to have experienced an increase in work load related to

- Training financial aid staff
- Counseling borrowers
- Processing loan applications/creating origination records
- Verifying enrollment
- Advising students

- Disbursing loan funds to students
- Requesting and receiving loan funds
- Providing recordkeeping and reporting
- Handling cash management

than were several other types of schools (Table 2-11).

Of those Direct Loan schools indicating a change in administrative work load, 78 percent felt that the change was permanent, while 22 percent felt it was temporary. Among these schools there were strong cohort effects—first-year Direct Loan schools were the most likely to view the changes as permanent, followed by third-year, and then second-year Direct Loan schools (Table 2-12).

Communications and Support From the U.S. Department of Education, Lenders, and Guarantee Agencies

Materials and Training Provided by the U.S. Department of Education

During the 1996–97 academic year, Direct Loan schools were asked to rate the timeliness and usefulness of 14 types of materials and training provided by the Department of Education or its servicer. With the exception of the timeliness of loan reconciliation support, a majority of institutions reported satisfaction with the timeliness and usefulness of all ED-provided services and materials. As shown in Exhibit 8 (and Table 3-1), Direct Loan schools felt that the materials and training provided were more useful than timely, with ratings for usefulness ranging from 51 to 90 percent, while the ratings for timeliness ranged from 41 to 83 percent.

Exhibit 8
Direct Loan Satisfaction With Materials and Training
Provided by the Department of Education
(in percentages)

ED-Provided Materials/Training	Timeliness	Usefulness
Information on Direct Loan Rules and Regulations	73	80
Telephone Support for Policy and Administrative Guidance	57	69
Direct Loan Users Guide	63	67
In-Person Assistance	57	66
Borrower Counseling Materials	69	86
Training Materials for Counselors	66	75
Entrance/Exit Counseling Videos	72	73
Preprinting Promissory Notes	83	90
Reconciliation Guide	57	59
Consolidation Booklet	61	69
Loan Origination Support	57	65
Loan Reconciliation Support	41	52
Training and Technical Support	54	62
Software for Administration or Reporting Functions	54	56
Videoconferences	52	51

Usefulness and Timeliness of Materials and Training Provided by ED

Most useful
- Preprinted promissory notes (90%)
- Borrower counseling materials (86%)
- Information on Direct Loan rules and regulations (80%)

Least useful
- Videoconferences (51%)
- Loan reconciliation support (52%)
- Software (56%)

Most timely
- Preprinted promissory notes (83%)
- Information on Direct Loan rules and regulations (73%)
- Entrance and exit counseling videos (72%)

Least timely
- Loan reconciliation support (41%)
- Videoconferences (52%)
- Training and technical support (54%)

During the 1996–97 academic year, FFEL institutions were also asked to rate the timeliness and usefulness of several types of materials and training provided by the Department of Education, lenders, and guarantee agencies. As shown in Exhibit 9 (and Table 3-2), FFEL schools were more likely to rate the materials and training provided by guarantee agencies and lenders as more timely and useful than those received from ED for all five areas listed. In addition, FFEL institutions preferred the telephone support, training sessions, and software provided by their guarantors over materials and training provided by their lenders; however, FFEL institutions gave lenders the highest timeliness and usefulness marks for counseling materials used for borrowers.

Exhibit 9
FFEL Satisfaction With Materials and Training
Provided by ED/Lender/Guarantee Agencies
(in percentages)

Agency-Provided Materials and Training	Timeliness			Usefulness		
	ED	Lender	GA	ED	Lender	GA
Information on FFEL Program Rules and Regulations	56	74	80	66	79	82
Telephone Support for Policy or Administrative Guidance	47	79	82	57	81	83
Borrower Counseling Materials	56	81	79	58	82	80
Training Sessions	54	68	75	61	73	77
Software for Administrative or Reporting Functions	47	67	72	50	73	75

When Direct Loan and FFEL schools' ratings on ED-provided materials and training common to both programs were compared, Direct Loan schools were more likely in all cases to rate the materials and training received as both useful and timely. As shown in Exhibit 10 (and Table 3-3), Direct Loan schools felt that the information on program rules and regulations, telephone support for policy or administrative guidance, borrower counseling materials, and software were more useful and timely than did the FFEL schools.

Compared with the 1995–96 academic year, Direct Loan institutions in 1996–97 reported a significant decrease in satisfaction with both the timeliness and usefulness of ED-provided information and support. Institutions were more satisfied during the 1995–96 academic year with every type of provided material and training (Table 3-4).[10]

FFEL institutions also experienced a decrease in satisfaction with the timeliness and usefulness of information and support from lenders and guarantors between the 1995–96 and 1996–97 academic years. Like Direct Loan schools, FFEL institutions also reported a decrease in satisfaction with ED-provided materials and training; however, satisfaction improved with the information on FFEL Program rules and regulations (Tables 3-5, 3-6, and 3-7).

---

[10] The only exception to this satisfaction was the insignificant decline in satisfaction with the usefulness of entrance and exit videos. Software for administration and reporting functions was not included in the 1996 survey.

Exhibit 10
Direct Loan Versus FFEL Satisfaction With
ED-Provided Materials and Training
(in percentages)

ED-Provided Materials and Training	Timeliness		Usefulness	
	DL	FFEL	DL	FFEL
Information on Program Rules and Regulations	73	56	80	66
Telephone Support for Policy or Administrative Guidance	57	47	69	57
Borrower Counseling Materials	69	56	86	58
Software for Administrative or Reporting Functions	55	47	55	47

Frequency of Communications With Servicers Regarding Loan Repayment and Consolidation

Direct Loan institutions reported that they most frequently referred borrowers to the LOC for consolidation information and materials and were most likely to refer borrowers to the servicer for loan repayment information and materials. Furthermore, institutions indicated that they sometimes contacted the LOC to obtain consolidation forms and information, intervene at the request of borrowers, contact the servicer for repayment forms and information, and intervene at the request of borrowers (Table 3-8). There were no significant differences found between the Direct Loan cohorts regarding the frequency of this type of communication.

Related frequencies of occurrence were reported by FFEL institutions, which most frequently referred borrowers to servicers for both consolidation and repayment information and materials. In addition, FFEL schools reported they sometimes contacted servicers to obtain consolidation and repayment forms and information and to intervene at the request of borrowers (Table 3-8).

When the frequencies of communications for Direct Loan and FFEL schools were compared, FFEL schools reported that they were more likely to contact servicers for loan repayment forms and information and to refer borrowers to the servicers for loan repayment information and materials. These results are consistent with the 1995–96 academic year findings; FFEL schools have more interaction because they have more loans in repayment. There were no significant differences between the loan programs on the frequencies of communications on consolidation issues.

Satisfaction With Communications With Servicers Regarding Loan Repayment and Consolidation

When asked about their satisfaction with the communications with servicers regarding loan consolidation, FFEL schools were more satisfied than Direct Loan schools in general and second-year Direct Loan schools in particular. Regarding both in-school and out-of-school consolidation, 65 percent of Direct Loan schools were satisfied with communications with their servicer, compared with 74 and 75 percent of FFEL schools. FFEL schools were also more satisfied than second-year Direct Loan institutions on repayment communications. As shown in Exhibit 11 (and Table 3-9), 85 percent of FFEL schools expressed satisfaction regarding loan repayment communications, compared with 74 percent of all Direct Loan schools and 71 percent of second-year schools. There were no significant differences between current and prior Direct Loan satisfaction on communications with servicers.

Among the Direct Loan institutions, proprietary schools were more satisfied with in-school and out-of-school consolidation communications than were schools in the public sector; proprietary schools were also more satisfied with loan repayment communications than were 2-year public schools. Among the Direct Loan cohorts, third-year schools were more satisfied with in-school consolidation communications than were second-year institutions (Table 3-10).

Exhibit 11
Satisfaction With Communications With Servicers
(in percentages)

	Loan Program Participation					
	Direct Loan					
Type of Communications	1st Yr.	2nd Yr.	3rd Yr.	Combined	FFEL	All
Loan Repayment	72	71	87	74	85	82
In-School Consolidation	63	62	86	65	74	71
Out-of-School Consolidation	56	64	78	65	75	72

Satisfaction With the Department of Education's Loan Repayment and Consolidation Guidelines

Direct Loan schools were asked to rate the timeliness and clarity of the Department of Education's regulations on loan repayment options, including the standard, income-contingent, extended, and graduated repayment plans. A majority of institutions reported satisfaction with the timeliness and clarity of all ED-provided regulations, with satisfaction ratings for timeliness ranging from 75 to 78 percent, while the ratings for clarity ranged from 66 to 75 percent (Table 3-11).

BEST COPY AVAILABLE

Direct Loan schools were also asked to rate the timeliness and clarity of the Department of Education's consolidation guidelines. Institutions reported lower satisfaction with the timeliness and clarity of all ED-provided guidelines, with satisfaction ratings for timeliness ranging from 54 to 57 percent, while the ratings for clarity ranged from 51 to 53 percent (Table 3-12). There were no significant differences found between Direct Loan cohorts.

Compared with the 1995–96 academic year, 1996–97 Direct Loan schools reported a decline in satisfaction with the timeliness and clarity of all of the loan repayment regulations, with the exception of their satisfaction with the clarity of the income-contingent repayment plan (Table 3-11). Regarding satisfaction with consolidation guidelines, the only intertemporal change was a decline in satisfaction with the timeliness and clarity of out-of-school Direct Loan consolidation guidelines (Table 3-12).

For the timeliness and usefulness of loan repayment regulations, 2-year private institutions were less satisfied with the ED-provided regulations on the income-contingent repayment plan, the extended repayment plan, and the graduated repayment plan. For the timeliness and usefulness of loan consolidation guidelines, 2-year public institutions were less satisfied than were 4-year public institutions and those in the private sector (Table 3-13).

Contact With the Department of Education's Regional Offices

A large majority, 72 percent of Direct Loan institutions, reported contact with a client account manager at their regional office. A majority of schools also indicated that the contacts were initiated by both the institution and the regional office (66%). Most institutions characterized the amount of interaction between the client account managers and their school as moderate, with 53 percent reporting some interaction, 24 percent reporting extensive interaction, and 23 percent very little interaction.

As shown in Exhibit 12 (and Table 3-14), Direct Loan schools judged their contacts with the Department of Education's Regional Office as slightly more useful than timely, with ratings for usefulness ranging from 56 to 86 percent, and ratings for timeliness ranging from 55 to 79 percent. The most useful and timely types of contact with ED's Regional Offices, as well as the least useful and timely types of contact, are presented below:

Most useful
- Requests for ED-provided material (86%)
- Entrance and exit counseling issues (81%)
- Training received at the Regional Office (81%)

Least useful
- Computer-related reconciliation issues (56%)
- Accounting-related reconciliation issues (57%)
- Questions and issues regarding computer system design or implementation (64%)

Most timely
- Requests for ED-provided material (79%)
- Training received at the Regional Office (75%)
- Questions regarding Direct Loan policy (74%)

Least timely
- Computer-related reconciliation issues (55%)
- Accounting-related reconciliation issues (57%)
- Questions and issues regarding computer system design or implementation (63%).

First-year Direct Loan institutions appear to be the most satisfied with contacts with the regional office. This cohort reported higher levels of satisfaction than did second-year schools on the timeliness of entrance- and exit-counseling issues, questions regarding loan origination, computer-related reconciliation issues, and accounting-related reconciliation issues. First-year Direct Loan schools also reported higher satisfaction with the timeliness of training/guidance delivered by account managers at their institution than did second- or third-year institutions. Third-year schools expressed greater satisfaction than did second-year schools with the timeliness of training received at their regional office. Furthermore, second-year institutions were less satisfied than first-year institutions with the usefulness of training received at regional office, computer-related reconciliation issues, and accounting-related reconciliation issues (Table 3-14).

Exhibit 12
Direct Loan Satisfaction With ED Regional Office Contact
(in percentages)

Type of Contact	Timeliness				Usefulness			
	1st Yr.	2nd Yr.	3rd Yr.	Combined	1st Yr.	2nd Yr.	3rd Yr.	Combined
Training Received at the Regional Office	80	70	95	75	90	78	90	81
Training/Guidance Delivered by Account Managers	88	62	52	64	88	66	52	67
Questions Regarding Direct Loan Policy	87	72	73	74	87	77	83	79
Entrance/Exit Counseling Issues	92	68	85	73	90	78	90	81
Requests for ED-Provided Materials	88	75	89	79	94	84	89	86
Questions/Issues Regarding Computer Systems Design or Implementation	75	59	81	63	72	62	71	64
Questions/Issues Regarding Loan Origination	87	67	80	71	81	67	82	70
Questions/Issues Regarding Disbursement and/or Refunding of Excess Funds to Borrowers	80	67	77	70	79	70	87	73
Computer-Related Reconciliation Issues	69	52	62	55	72	52	66	56
Accounting-Related Reconciliation Issues	74	52	72	57	68	52	74	57
Inquiries Requesting Appropriate Sources of Contact for Specific Questions	84	67	80	71	83	72	76	74

Direct Loan Implementation Issues

Ease of Implementation Processes

Among third-year Direct Loan schools, the ease of implementation varied considerably among the different activities and processes, with "easy to set up" ratings ranging from 9 to 56 percent. As shown in Exhibit 13 (and Table 4-1), a majority of institutions reported that developing procedures and materials to counsel borrowers was easy; 56 percent of respondents rated this as easy. This process was also judged easiest in the 1995–96 academic year. The development of loan disbursement procedures (48%) was also rated as more easy than moderate or difficult. However, a majority of third-year institutions reported that all other implementation processes required a moderate level of effort.

Difficulty ratings for implementation processes ranged from 1 to 20 percent. Processes with the highest difficulty ratings were developing reconciliation procedures (20%), processing loan applications and ensuring loan origination (18%), and internal recordkeeping procedures for reporting to the Direct Loan system (15%).

As found in the 1995–96 academic year, all nine startup activities were judged as either requiring a small or moderate level of effort. Schools implementing the Direct Loan Program in 1995–96 (the second-year schools) and schools implementing the program in 1996–97 identified the same processes as being the most easy or the most difficult.

Factors Influencing the Decision To Phase in or Switch Exclusively to the Direct Loan Program

Most third-year institutions, 64 percent, elected to phase in Direct Lending, while 36 percent chose to immediately offer only Direct Loans. In contrast, a majority of first-year and second-year implementing institutions chose to switch exclusively to Direct Lending (72% during the 1994–95 academic year, and 59% during the 1995–96 academic year) (Table 4-2).

The difference in the decision to phase in or switch exclusively to the Direct Loan Program can be explained by the composition of the third-year class—78 percent of which are proprietary schools. Since this group of schools has historically been the least likely to switch exclusively to Direct Lending, this factor helps explain why a majority of third-year institutions elected to phase in the program.

Among those institutions electing to phase in the program, the three most important factors were (Table 4-4)

- Desiring to keep graduate and professional students in the FFEL Program (73%)

- Maintaining relationships with lenders and/or guarantors (66%)
- Not confusing borrowers who already had FFEL loans (61%).

This ordering of factors is similar to that of the second-year institutions in 1995–96, with the exception of the preference to keep graduate and professional students in FFEL. This reason increased from the fifth preference in 1995–96 to first in 1996–97 (Table 4-5).

Among those schools switching exclusively to Direct Lending, the most important factors were not wanting (Table 4-6)

- The complexity of administering two programs simultaneously (79%)
- To administer the FFEL Program at all (55%)
- To confuse borrowers by offering two loan programs (53%).

In academic year 1995–96, second-year Direct Loan schools indicated similarly that the complexity of two programs (81%) and not wanting to confuse borrowers (73%) were the most important considerations in their decision to switch exclusively to Direct Lending (Table 4-7).

Satisfaction With the Department of Education's Responsiveness to Problems During Implementation

During their implementation of the Direct Loan Program, 56 percent of the third-year schools were satisfied with the Department of Education's responsiveness to their problems, while only 8 percent expressed any dissatisfaction. The remainder of the schools (36%) were neither satisfied nor dissatisfied with the Department's responsiveness to problems during implementation (Table 4-8).

A longitudinal comparison of implementing institutions revealed that third-year Direct Loan schools were less satisfied than first-year institutions in academic year 1994–95 (where almost 87% expressed satisfaction) or second-year institutions in academic year 1995–96 (where 79% expressed satisfaction) (Table 4-9).

Recommendations to Institutions That Will Implement in the Future

Direct Loan Institutions volunteered that available technical support and the necessary computer hardware were most essential to the implementation process. Furthermore, 9 percent of third-year institutions took the opportunity to advise other schools to participate in the program, since it benefited both students and the school.

When all Direct Loan schools were asked what the most important advice was that they would give another institution that was preparing to implement the Direct Loan Program, the top open-ended responses were[11]

- Have computer person on staff/technical support available (14%)
- Ensure you have necessary computer hardware/equipment and configuration (9%)
- Get training for staff/attend workshops (6%)
- Plan ahead/start early (6%)
- Go ahead and do it (5%).

Schools Formerly Participating or Awaiting Participation in Direct Lending

Some responding institutions indicated that they had been selected to participate in Direct Lending but had yet to originate any Direct Loans (4%). A smaller percentage of institutions reported that they participated in Direct Lending during the 1994–95 or 1995–96 academic year but they no longer originated Direct Loans (1%).

Institutions no longer originating Direct Loans were asked the open-ended question, "Please indicate why your institution is no longer participating in the Direct Loan Program." The most frequently volunteered reasons were

- Too cumbersome/complex (27%)
- Promissory note problems (27%)
- Electronic process problems (10%)
- Left because of problems with servicer (5%)
- School could not handle work load (4%).

---

[11] This question was asked of all Direct Loan institutions, not just the third-year schools. A full listing of the open-ended responses is provided in the Appendix.

U.S. Department of Education
Office of the Under Secretary

Direct Loan Evaluation
Survey of Institutions Participating in the Federal Direct Loan and Federal Family Education Loan Programs: Academic Year 1996-97

Volume Two — Technical Appendices

1998

Direct Loan Evaluation

Survey of Institutions Participating in the Federal Direct Loan and Federal Family Education Loan Programs: Academic Year 1996-97

Volume Two—Technical Appendices

Contract No. EA93085001

Submitted to:

U.S. Department of Education
OUS/Planning and Evaluation Service
600 Independence Avenue, S.W.
Washington, DC 20202

Project Officer, Steven Zwillinger

by:

Macro International Inc.
11785 Beltsville Drive
Calverton, Maryland 20705

1998

Table of Contents

Appendix A: Detailed Tables
Appendix B: Distribution of Responses and Response Rates
Appendix C: Questionnaire with Item Response Frequencies
Appendix D: Survey Methodology
Appendix E: Survey Instrument

Appendix A

Detailed Tables

Guide to Interpreting the Tables

The tables presented in Appendix A represent the universe of tables referenced in the companion piece to this document, the Volume One Summary Report. As a result, every table that appears in this appendix can be found referenced somewhere in Volume One.

The tables themselves are of two types; those describing the 1996-97 academic year, and those longitudinal tables summarizing the last three academic years. However, since the third-year weights were modified slightly for our longitudinal analysis, several of the numbers presented in the longitudinal tables for the 1996-97 academic year may differ slightly from numbers presented in the 1996-97 tables. Although the differences are slight, interested readers are referred to the survey methodology section in Appendix D of this volume.

List of Tables

Table Number **Page Number**

Overall Institutional Satisfaction with the Federal Student Loan Programs

Table 1-1 Overall Level of Satisfaction by Loan Program, Academic Year 1996-97 1

Table 1-2 Overall Level of Satisfaction by Institutional Type and Control, Combined Institutions, Academic Year 1996-97 1

Table 1-3 Overall FFEL Program Satisfaction by Plans to Participate in the Direct Loan Program, Academic Year 1996-97 2

Table 1-4 Overall FFEL Program Satisfaction by Number of Lenders, Academic Year 1996-97 2

Table 1-5 Overall Satisfaction by Loan Program, Academic Years 1994-95, 1995-96, and 1996-97 3

Table 1-6 Current Versus Prior Satisfaction by Loan Program, Academic Year 1996-97 3

Table 1-7 Current Versus Prior Satisfaction by Institutional Type and Control, Academic Year 1996-97 4

Table 1-8 Combined Loan Program Satisfaction, Academic Years 1994-95, 1995-96, and 1996-97 4

Table 1-9 Overall Satisfaction With Direct Loan and FFEL Program by Level of Participation, Academic Year 1996-97 5

Table 1-10 Overall Satisfaction for Direct Loan Institutions Administering Both Programs, Academic Year 1996-97 5

Table 1-11 Overall Satisfaction With FFEL for Institutions Administering Both Programs, Academic Year 1996-97 6

Table 1-12 Perceived Attributes of the Direct Loan Program, Academic Year 1996-97 6

Table 1-13 Perceived Attributes of the FFEL Program, Academic Year 1996-97 7

Table 1-14 Perceived Limitations of the Direct Loan Program, Academic Year 1996-97 7

Table 1-15 Perceived Limitations of the FFEL Program, Academic Year 1996-97 8

List of Tables

Table Number **Page Number**

Administration of the Direct Loan and FFEL Programs

Table 2-1 Level of Effort Associated With Loan Program Administration, Academic Year 1996-97 9

Table 2-2 Level of Effort Associated With Loan Program Administration, Academic Years 1994-95, 1995-96, and 1996-97 9

Table 2-3 Satisfaction With Loan Program Administration Activities, Academic Year 1996-97 10

Table 2-4 Satisfaction With Loan Program Administration Activities, Academic Years 1994-95, 1995-96, and 1996-97 11

Table 2-5 Changes in Resources Needed for the Delivery of Financial Aid, Academic Year 1996-97 12

Table 2-6 Changes in Resources Needed for the Delivery of Financial Aid, Academic Years 1994-95, 1995-96, and 1996-97 13

Table 2-7 Changes in Resources Needed for the Delivery of Financial Aid by Institutional Type and Control for Direct Loan Institutions, Academic Year 1996-97 14

Table 2-8 Changes in Resources Needed for the Delivery of Financial Aid by Institutional Type and Control for FFEL Institutions, Academic Year 1996-97 15

Table 2-9 Changes in Workload Resulting From Implementation of the Direct Loan Program, Academic Year 1996-97 16

Table 2-10 Changes in Workload Resulting From Implementation of the Direct Loan Program by Direct Loan Cohort, Academic Year 1996-97 17

Table 2-11 Changes in Workload Resulting From Direct Loan Implementation by Institutional Type and Control, Academic Year 1996-97 18

Table 2-12 Temporary Versus Permanent Changes in Workload Resulting From Implementation of the Direct Loan Program, Academic Year 1996-97 19

List of Tables

Table Number **Page Number**

Communications and Support From the U.S. Department of Education, Lenders, and Guarantee Agencies

Table 3-1 Timeliness/Usefulness of ED-Provided Materials and Training for Direct Loan Institutions, Academic Year 1996-97 20

Table 3-2 Timeliness/Usefulness of ED/Lender/Guarantee-Agency-Provided Materials and Training for FFEL Institutions, Academic Year 1996-97 21

Table 3-3 Timeliness/Usefulness of ED-Provided Materials and Training for Direct Loan and FFEL Institutions, Academic Year 1996-97 21

Table 3-4 Timeliness/Usefulness of ED-Provided Materials and Training for Direct Loan Institutions, Academic Years 1994-95, 1995-96, and 1996-97 22

Table 3-5 Timeliness/Usefulness of ED-Provided Materials and Training for FFEL Institutions, Academic Years 1994-95, 1995-96, and 1996-97 23

Table 3-6 Timeliness/Usefulness of Lender-Provided Materials and Training for FFEL Institutions, Academic Years 1994-95, 1995-96, and 1996-97 23

Table 3-7 Timeliness/Usefulness of Guarantee-Agency-Provided Materials and Training for FFEL Institutions, Academic Years 1994-95, 1995-96, and 1996-97 24

Table 3-8 Frequency of Communications With Servicers Regarding Loan Repayment and Consolidation, Academic Year 1996-97 25

Table 3-9 Satisfaction With Communications With Servicers Concerning Loan Repayment and Consolidation, Academic Year 1996-97 26

Table 3-10 Level of Satisfaction With ED/Servicer Communications Regarding Loan Repayment and Consolidation by Institutional Type and Control for Direct Loan Institutions, Academic Year 1996-97 26

Table 3-11 Satisfaction With ED-Provided Repayment Regulations for Direct Loan Schools, Academic Years 1995-96 and 1996-97 27

List of Tables

Table Number **Page Number**

Communications and Support From the U.S. Department of Education, Lenders, and Guarantee Agencies (continued)

Table 3-12 Satisfaction With ED-Provided Consolidation Guidelines for Direct Loan Schools, Academic Years 1995-96 and 1996-97 27

Table 3-13 Timeliness/Clarity of ED's Loan Repayment and Consolidation Guidelines by Institutional Type and Control for Direct Loan Institutions, Academic Year 1996-97 28

Table 3-14 Contact With ED Regional Office by Direct Loan Institutions, Academic Year 1996-97 29

List of Tables

Table Number **Page Number**

Direct Loan Implementation Issues

Table 4-1 Ease of Setting Up Implementation Processes, 3rd-Year Direct Loan Institutions, Academic Year 1996-97 30

Table 4-2 Decision to Phase In or Switch Exclusively to the Direct Loan Program, Implementing Direct Loan Institutions, Academic Years 1994-95, 1995-96, and 1996-97 30

Table 4-3 Decision to Phase In or Switch Exclusively to the Direct Loan Program by Institutional Type and Control, 3rd-Year Direct Loan Institutions, Academic Year 1996-97 31

Table 4-4 Factors Influencing the Decision to Phase In the Direct Loan Program, 3rd-Year Direct Loan Institutions, Academic Year 1996-97 31

Table 4-5 Factors Influencing the Decision to Phase In the Direct Loan Program, Implementing Direct Loan Institutions, Academic Years 1994-95, 1995-96, and 1996-97 32

Table 4-6 Factors Influencing the Decision to Offer Only Direct Loans, 3rd-Year Direct Loan Institutions, Academic Year 1996-97 32

Table 4-7 Factors Influencing the Decision to Switch Exclusively to the Direct Loan Program, Implementing Direct Loan Institutions, Academic Years 1994-95, 1995-96, and 1996-97 33

Table 4-8 Satisfaction With ED's Responsiveness to Problems During the Implementation of the Direct Loan Program, 3rd-Year Direct Loan Institutions, Academic Year 1996-97 33

Table 4-9 Satisfaction With ED's Responsiveness to Problems During the Implementation of the Direct Loan Program, Implementing Direct Loan Institutions, Academic Years 1994-95, 1995-96, and 1996-97 34

Table 1-1: Overall Level of Satisfaction by Loan Program
Academic Year 1996-97

Level of Satisfaction	Loan Program Participation					
	Direct Loan				FFEL (%)	All (%)
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)		
Very Satisfied	37.5	25.1	16.0	25.2	36.7	33.8
2	31.7	36.8	54.2	38.9	45.7	44.0
3	19.4	25.2	23.0	24.1	14.1	16.7
4	8.8	10.3	6.1	9.5	2.7	4.4
Very Dissatisfied	2.6	2.6	0.7	2.3	0.8	1.2

Table 1-2: Overall Level of Satisfaction by Institutional Type and Control
Combined Institutions
Academic Year 1996-97

Level of Satisfaction	Institutional Type and Control				
	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Very Satisfied	36.6	33.7	34.1	34.0	32.3
2	41.8	43.5	48.0	45.6	40.9
3	16.7	18.6	13.3	15.8	18.7
4	3.3	3.7	3.7	3.1	6.5
Very Dissatisfied	1.6	0.5	0.9	1.5	1.6

BEST COPY AVAILABLE

Table 1-3: Overall FFEL Program Satisfaction by Plans to Participate in the Direct Loan Program Academic Year 1996-97

	FFEL Institutions					
	Direct Loan Participation Plans					
Level of Satisfaction	Currently Participating	Accepted But Did Not Participate	Application Pending	Will Apply	Application Rejected	Will Not Apply
Very Satisfied	31.1	36.2	7.3	23.6	11.02	37.9
2	38.3	45.3	39.1	36.5	35.17	46.1
3	26.2	10.2	45.4	25.0	48.3	13.3
4	4.0	4.7	5.5	12.5	0.0	2.3
Very Dissatisfied	0.3	3.6	2.7	2.4	5.5	0.5

Table 1-4: Overall FFEL Program Satisfaction by Number of Lenders Academic Year 1996-97

	FFEL Institutions				
	Number of Lenders				
Level of Satisfaction	1-2	3-5	6-10	11-20	20+
Very Satisfied	36.2	38.8	33.0	42.4	27.7
2	39.0	45.3	48.3	40.9	51.6
3	19.1	14.0	14.8	13.8	13.2
4	3.4	1.2	3.5	2.0	7.5
Very Dissatisfied	2.3	0.7	0.3	0.8	0.0

BEST COPY AVAILAB

Table 1-5: Overall Satisfaction by Loan Program Academic Years 1994-95, 1995-96, and 1996-97

Academic Year	Level of Satisfaction	Loan Program Participation					
		Direct Loan				FFEL	All
		1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)	FFEL (%)	All (%)
1994-95	Very Satisfied	60.6	NA	NA	60.6	26.7	27.3
	2	28.8			28.8	40.7	40.5
	3	6.7			6.7	23.8	23.5
	4	2.9			2.9	6.9	6.8
	Very Dissatisfied	1.0			1.0	1.9	1.9
1995-96	Very Satisfied	60.1	43.4	NA	45.3	36.9	38.6
	2	27.3	39.1		37.8	41.9	41.0
	3	6.1	12.3		11.6	16.0	15.1
	4	5.7	2.0		2.4	4.2	3.8
	Very Dissatisfied	0.9	3.2		3.0	1.1	1.5
1996-97	Very Satisfied	37.5	23.7	16.2	24.3	36.7	33.8
	2	31.7	37.4	54.9	39.4	45.7	44.0
	3	19.4	25.7	22.6	24.5	14.1	16.7
	4	8.8	10.6	5.5	9.5	2.7	4.4
	Very Dissatisfied	2.7	2.6	0.7	2.4	0.8	1.2

Table 1-6: Current Versus Prior Satisfaction by Loan Program Academic Year 1996-97

Level of Satisfaction	Loan Program Participation					
	Direct Loan				FFEL	All
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)	FFEL (%)	All (%)
Increased	21.4	28.2	38.3	28.9	32.2	31.3
Remained the Same	48.8	37.7	56.6	42.0	64.1	58.4
Decreased	29.8	34.1	5.1	29.1	3.8	10.2

BEST COPY AVAILABLE

Table 1-7: Current Versus Prior Satisfaction by Institutional Type and Control Academic Year 1996-97

Level of Satisfaction	Institutional Type and Control				
	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Increased	43.2	26.9	38.4	26.0	24.4
Decreased	15.4	7.2	10.2	4.1	12.0
Remained the same	41.4	65.9	51.4	70.0	63.6

Table 1-8: Combined Loan Program Satisfaction Academic Years 1994-95, 1995-96, and 1996-97

Level of Satisfaction	All Institutions		
	1994-95 (%)	1995-96 (%)	1996-97 (%)
Very Satisfied	27.4	38.5	33.7
2	40.9	41.3	44.0
3	23.0	14.9	16.7
4	6.8	3.8	4.4
Very Dissatisfied	2.0	1.5	1.2

Table 1-9: Overall Satisfaction With Direct Loan and FFEL Program by Level of Participation Academic Year 1996-97

Level of Satisfaction	FFEL Satisfaction		DL Satisfaction	
	100% (%)	Mixed (%)	100% (%)	Mixed (%)
Very Satisfied	36.7	31.4	31.9	11.5
2	45.7	36.7	41.1	36.5
3	14.1	25.3	18.7	34.0
4	2.7	4.6	6.1	15.2
Very Dissatisfied	0.8	2.0	2.2	2.7

Table 1-10: Overall Satisfaction for Direct Loan Institutions Administering Both Programs Academic Year 1996-97

Level of Satisfaction	Institutions Administering Both Loan Programs	
	Direct Loan Satisfaction (%)	FFEL Satisfaction (%)
Very Satisfied	11.5	31.4
2	36.5	36.7
3	34.0	25.3
4	15.2	4.6
Very Dissatisfied	2.7	2.0

Table 1-11: Overall Satisfaction With FFEL for Institutions Administering Both Programs Academic Year 1996-97

Level of Satisfaction	Loan Program Participation			
	Direct Loan Institutions Also Administering FFEL			
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)
Very Satisfied	26.4	29.3	27.6	28.5
2	20.9	34.8	53.7	38.4
3	46.3	29.7	10.8	26.4
4	6.5	3.3	6.5	4.5
Very Dissatisfied	0.0	2.9	1.3	2.1

Table 1-12: Perceived Attributes of the Direct Loan Program Academic Year 1996-97

Most Important Benefits of the Direct Loan Program	Direct Loan Institutions			
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)
Borrowers are served well through the Direct Loan Program.	74.7	71.9	74.6	72.7
The Direct Loan Program is simple to administer.	46.9	39.7	46.8	41.7
The Direct Loan Program is viable.	26.8	27.8	29.5	27.9
The availability of loan funds is predictable in the Direct Loan Program.	35.3	46.6	45.3	44.9
The Direct Loan Program is cost-effective to administer.	29.1	19.4	21.4	20.9
The flexibility of loan repayment options is beneficial to borrowers.	56.9	61.8	60.7	61.0

Table 1-13: Perceived Attributes of the FFEL Program
Academic Year 1996-97

Most Important Benefits of FFEL Program	FFEL Institutions (%)
Borrowers are served well through the FFEL Program.	77.5
The FFEL Program is simple to administer.	42.9
The FFEL Program is viable.	37.9
The availability of loan funds is predictable in the FFEL Program.	55.8
The FFEL Program is cost-effective to administer.	30.1
The flexibility of loan repayment options is beneficial to borrowers.	38.2

Table 1-14: Perceived Limitations of the Direct Loan Program
Academic Year 1996-97

	Direct Loan Institutions			
Areas of Unmet Expectations	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)
Borrowers are served well through the Direct Loan Program.	4.1	9.2	1.4	7.3
The Direct Loan Program is simple to administer.	21.3	35.6	25.3	32.2
The Direct Loan Program is viable.	3.8	7.0	0.7	5.7
The availability of loan funds is predictable in the Direct Loan Program.	11.5	8.7	0.7	7.8
The Direct Loan Program is cost-effective to administer.	11.5	25.3	10.9	21.3
The flexibility of loan repayment options is beneficial to borrowers.	2.2	4.2	0.0	3.3

BEST COPY AVAILABLE

Table 1-15: Perceived Limitations of the FFEL Program
Academic Year 1996-97

Areas of Unmet Expectations	FFEL Institutions (%)
Borrowers are served well through the FFEL Program.	5.8
The FFEL Program is simple to administer.	19.8
The FFEL Program is viable.	2.1
The availability of loan funds is predictable in the FFEL Program.	3.8
The FFEL Program is cost-effective to administer.	12.3
The flexibility of loan repayment options is beneficial to borrowers.	9.5

Table 2-1: Level of Effort Associated With Loan Program Administration Academic Year 1996-97

	Loan Program Participation					
	Direct Loan				FFEL	All
Level of Effort	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)	(%)	(%)
Very Easy	20.9	9.3	11.9	11.2	6.8	7.9
Relatively Easy	41.7	36.0	39.7	37.3	33.9	34.8
Moderate Effort	16.0	28.8	26.9	26.9	30.8	29.8
Relatively Labor Intensive	12.1	18.3	21.5	18.1	23.8	22.3
Very Labor Intensive	9.3	7.5	0.0	6.6	4.8	5.2

Table 2-2: Level of Effort Associated With Loan Program Administration Academic Years 1994-95, 1995-96, and 1996-97

	Loan Program Participation					
	Direct Loan			FFEL		
Level of Effort	1994-95 (%)	1995-96 (%)	1996-97 (%)	1994-95 (%)	1995-96 (%)	1996-97 (%)
Very Easy	16.9	14.0	10.7	6.4	7.4	6.7
Relatively Easy	43.9	45.7	36.8	23.1	28.9	33.9
Moderate Effort	24.6	25.4	27.5	36.6	30.6	30.8
Relatively Labor Intensive	9.0	12.6	18.3	27.0	28.0	23.8
Very Labor Intensive	5.6	2.3	6.7	6.9	5.1	4.8

Table 2-3: Satisfaction With Loan Program Administration Activities Academic Year 1996-97 (Percentage of Institutions Rating Activities Satisfactory)

Types of Activities	Loan Program Participation					
	Direct Loan				FFEL (%)	All (%)
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)		
Keeping Up With Regulations	97.7	91.5	97.9	93.3	87.9	89.2
Answering General Questions About Loans and Financial Aid	95.6	93.6	96.8	94.3	96.7	96.1
Counseling Borrowers While in School	96.8	96.1	96.8	96.3	95.0	95.4
Processing Origination Records	89.6	85.1	97.6	87.5	**NA**	**NA**
Processing Promissory Notes	94.2	78.9	87.4	82.1	**NA**	**NA**
Requesting and Receiving Loan Funds	89.7	89.7	85.0	89.0	95.7	94.0
Disbursing of Loan Funds	91.2	92.4	97.3	93.1	90.3	91.0
Refunding Excess Loan Funds to Borrowers	89.3	88.0	99.3	90.0	86.7	87.5
Reconciliation/Financial Monitoring and Reporting	67.2	56.7	82.7	61.9	88.9	82.1
Recordkeeping and Reporting of Student Information	73.7	69.9	79.9	71.9	77.2	75.8
Helping Students with Loans After They Have Left School	90.6	87.9	96.9	89.5	82.8	84.5

Table 2-4: Satisfaction with Loan Program Administration Activities

Academic Years 1994-95, 1995-96, 1996-97

Activity	Level of Satisfaction	Loan Program Participation					
		Direct Loan			FFEL		
		1994-95 (%)	1995-96 (%)	1996-97 (%)	1994-95 (%)	1995-96 (%)	1996-97 (%)
Keeping up with regulations	Very Satisfied	42.9	42.2	45.7	16.5	26.1	31.5
	Somewhat Satisfied	50.9	50.8	47.6	43.0	56.0	56.3
	Somewhat Dissatisfied	5.5	6.6	5.7	24.2	13.9	9.9
	Very Dissatisfied	0.8	0.4	1.1	16.4	4.0	2.3
Answering general questions about loans and financial aid	Very Satisfied	68.1	66.6	57.1	42.1	49.7	55.9
	Somewhat Satisfied	31.9	32.2	36.9	48.4	46.0	40.8
	Somewhat Dissatisfied	0.0	0.9	4.8	8.1	3.5	2.5
	Very Dissatisfied	0.0	0.2	1.1	1.5	0.8	0.8
Counseling borrowers while in school	Very Satisfied	70.0	69.1	53.9	43.0	49.7	50.5
	Somewhat Satisfied	27.4	28.3	42.2	45.3	43.4	44.5
	Somewhat Dissatisfied	2.5	2.4	3.6	9.2	6.4	4.3
	Very Dissatisfied	0.0	0.2	0.3	2.5	0.5	0.7
Processing origination records	Very Satisfied	68.0	67.6	52.8	NA	NA	NA
	Somewhat Satisfied	23.8	26.2	34.7			
	Somewhat Dissatisfied	5.8	5.8	10.3			
	Very Dissatisfied	2.5	0.4	2.3			
Processing promissory notes	Very Satisfied	73.4	75.4	46.5	NA	NA	NA
	Somewhat Satisfied	23.0	19.7	35.6			
	Somewhat Dissatisfied	2.1	3.6	13.4			
	Very Dissatisfied	1.5	1.4	4.6			
Processing of loan application	Very Satisfied	NA	NA	NA	43.5	51.4	53.5
	Somewhat Satisfied				42.2	41.9	39.8
	Somewhat Dissatisfied				11.1	5.7	5.3
	Very Dissatisfied				3.1	1.1	1.4
Requesting and receiving loan funds	Very Satisfied	83.1	68.1	58.3	44.7	54.7	59.5
	Somewhat Satisfied	10.3	26.9	32.2	42.0	40.0	36.2
	Somewhat Dissatisfied	4.5	2.7	6.7	10.5	4.4	3.6
	Very Dissatisfied	2.1	2.3	2.8	2.8	0.9	0.8
Disbursing of loan funds	Very Satisfied	70.6	64.2	55.9	35.9	44.2	47.4
	Somewhat Satisfied	17.1	29.7	37.3	45.7	44.8	42.8
	Somewhat Dissatisfied	8.8	4.4	5.0	14.5	9.2	8.4
	Very Dissatisfied	3.5	1.8	1.8	4.0	1.8	1.3
Refunding excess loan funds to borrowers	Very Satisfied	56.2	53.1	48.8	31.2	39.7	40.1
	Somewhat Satisfied	37.9	40.1	41.8	49.5	46.0	46.5
	Somewhat Dissatisfied	3.4	5.8	7.5	14.6	11.1	10.6
	Very Dissatisfied	2.4	1.2	2.0	4.8	3.2	2.8
Reconciliation/financial monitoring and reporting	Very Satisfied	39.3	35.8	16.5	24.0	32.0	33.8
	Somewhat Satisfied	42.0	50.8	43.7	55.8	54.3	55.1
	Somewhat Dissatisfied	15.4	11.1	26.4	15.9	11.1	9.8
	Very Dissatisfied	3.4	2.4	13.4	4.4	2.7	1.3
Recordkeeping and reporting of student information	Very Satisfied	35.6	24.4	21.3	25.2	28.0	25.9
	Somewhat Satisfied	51.2	47.9	49.7	45.9	47.8	51.3
	Somewhat Dissatisfied	4.5	22.9	22.0	21.4	19.5	17.6
	Very Dissatisfied	8.8	4.8	7.0	7.5	4.8	5.3
Helping students with loans after they have left school	Very Satisfied	47.7	52.0	32.2	23.7	24.7	28.3
	Somewhat Satisfied	42.7	38.2	57.0	49.4	50.7	54.4
	Somewhat Dissatisfied	9.7	8.0	8.0	20.5	21.0	14.6
	Very Dissatisfied	0.0	1.8	2.9	6.3	3.6	2.7

Table 2-5: Changes in Resources Needed for the Delivery of Financial Aid Academic Year 1996-97

Types of Resources	Loan Program Participation					
	Direct Loan			FFEL		
	Increase (%)	Same (%)	Decrease (%)	Increase (%)	Same (%)	Decrease (%)
Number of Permanent or Temporary Staff Positions Related to Financial Aid	21.4	73.8	4.8	15.7	78.6	5.5
Number of Staff Positions in Accounting or Business Office	10.9	86.9	2.2	10.8	85.4	3.4
Number of Staff Used for Technical Support	29.4	68.3	2.2	13.6	82.3	3.7
Number of Hours Current Staff Work	44.8	48.6	6.6	34.1	62.6	4.1
Equipment/Computers	68.5	30.3	1.2	50.3	48.9	1.0
Supplies (postage, copying, etc.)	52.2	41.8	6.0	33.6	61.5	5.2
Funds for Training	42.8	54.1	3.2	21.0	75.0	3.8
Funds for Staff Travel	42.0	55.6	2.4	21.2	73.3	4.7
Development/Modification of Computer Programs/Procedures	72.5	26.2	1.3	56.8	41.4	1.7

Table 2-6: Changes in Resources Needed for the Delivery of Financial Aid Academic Years 1994-95, 1995-96, and 1996-97

Resource	Level of Change	Loan Program Participation					
		Direct Loan			FFEL		
		1994-95 (%)	1995-96 (%)	1996-97 (%)	1994-95 (%)	1995-96 (%)	1996-97 (%)
Number of Permanent or Temporary Staff Positions Related to Financial Aid	Significant Decrease	2.0	1.0	0.9	1.7	3.7	1.9
	Small Decrease	4.1	4.9	3.7	3.1	3.7	3.8
	No Change	73.5	77.0	73.4	74.3	78.0	78.7
	Small Increase	19.2	15.6	18.6	16.4	11.6	14.1
	Significant Increase	1.2	1.5	3.3	4.4	3.0	1.5
Number of Staff Positions in Accounting or Business Office	Significant Decrease	1.0	0.4	0.0	1.1	1.4	0.6
	Small Decrease	7.0	5.7	2.3	2.7	3.3	3.3
	No Change	86.8	85.4	86.6	86.9	85.2	85.6
	Small Increase	4.0	7.5	10.5	8.0	8.3	9.5
	Significant Increase	1.2	1.1	0.6	1.3	1.8	1.1
Number of Staff Used for Technical Support	Significant Decrease	0.0	0.5	0.6	1.3	1.8	0.7
	Small Decrease	2.2	2.9	1.2	2.0	2.6	3.5
	No Change	69.7	70.2	68.7	82.3	82.3	82.4
	Small Increase	28.1	21.8	24.0	12.1	11.0	11.9
	Significant Increase	0.0	4.5	5.6	2.3	2.3	1.5
Number of Hours Current Staff Work	Significant Decrease	3.8	1.8	1.5	1.6	0.8	0.2
	Small Decrease	13.7	6.9	5.2	3.8	3.8	3.1
	No Change	53.1	60.2	48.6	56.5	63.2	62.6
	Small Increase	16.1	22.6	31.9	25.6	24.0	27.0
	Significant Increase	13.3	8.5	12.8	12.5	8.2	7.1
Equipment/Computers	Significant Decrease	1.0	0.4	0.9	0.9	0.9	0.1
	Small Decrease	2.0	1.2	0.3	1.8	1.3	0.8
	No Change	13.7	34.1	29.3	51.9	46.4	49.0
	Small Increase	51.7	34.2	37.1	31.2	33.9	35.6
	Significant Increase	31.6	30.1	32.4	14.2	17.4	14.5
Supplies (postage, copying, etc.)	Significant Decrease	3.7	1.3	0.9	1.6	1.2	0.3
	Small Decrease	8.3	5.5	4.8	3.5	5.2	4.5
	No Change	36.3	48.6	41.2	56.5	62.9	61.5
	Small Increase	41.4	34.1	39.3	27.7	23.8	29.6
	Significant Increase	10.2	10.5	13.9	10.8	6.9	4.2
Funds for Training	Significant Decrease	1.0	0.4	0.6	2.4	2.5	1.4
	Small Decrease	0.8	0.8	2.1	3.5	4.7	2.6
	No Change	50.9	60.0	53.6	72.6	73.9	75.0
	Small Increase	34.3	33.0	38.0	16.1	15.8	17.5
	Significant Increase	13.1	5.8	5.7	5.5	3.2	3.5
Funds for Staff Travel	Significant Decrease	1.2	1.1	0.6	2.9	3.6	2.0
	Small Decrease	0.8	0.7	1.3	4.4	6.0	3.5
	No Change	39.6	54.2	55.7	70.2	71.7	73.3
	Small Increase	44.6	35.2	37.5	17.9	15.0	18.2
	Significant Increase	13.8	8.9	4.9	4.7	3.7	3.0
Development/Modification of Computer Programs/ Procedures	Significant Decrease	1.2	1.1	0.6	1.5	1.1	0.6
	Small Decrease	0.8	0.7	1.3	1.8	2.8	1.3
	No Change	39.6	54.2	55.7	48.2	42.4	41.4
	Small Increase	44.6	35.2	37.5	32.5	35.0	40.8
	Significant Increase	13.8	8.9	4.9	16.0	18.6	15.9

Table 2-7: Changes in Resources Needed for the Delivery of Financial Aid by Institutional Type and Control for Direct Loan Institutions Academic Year 1996-97

Materials/Training Provided by ED	Level of Change	Institutional Type and Control				
		4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Number of permanent or temporary staff positions related to financial aid	Significant Decrease	2.0	0.0	2.6	0.0	0.0
	2	9.1	0.9	2.8	0.0	2.7
	3	68.1	62.8	72.8	77.5	78.4
	4	17.7	31.6	20.6	22.5	14.6
	Significant Increase	3.1	4.7	1.1	0.0	4.3
Number of staff positions in Accounting or Business Office	Significant Decrease	7.0	0.0	3.2	4.0	0.2
	2	82.8	86.0	87.5	84.8	88.2
	3	9.6	14.0	9.3	11.2	10.5
	4	0.6	0.0	0.0	0.0	1.1
	Significant Increase	0.0	0.0	0.0	0.0	0.0
Number of staff used for technical support	Significant Decrease	0.5	0.0	0.0	0.0	1.1
	2	1.5	0.0	1.3	0.0	1.3
	3	57.6	68.4	66.1	74.3	74.6
	4	35.4	28.9	26.2	18.5	17.0
	Significant Increase	5.0	2.7	6.4	7.3	6.0
Number of hours current staff work	Significant Decrease	4.5	0.0	0.5	0.0	1.1
	2	13.1	0.9	7.1	7.3	1.8
	3	40.7	45.4	38.1	36.6	58.1
	4	27.0	28.2	35.4	34.8	33.3
	Significant Increase	14.6	25.5	18.9	21.3	5.7
Equipment/computers	Significant Decrease	0.5	0.0	1.3	0.0	1.1
	2	0.5	0.0	0.6	0.0	0.2
	3	27.0	26.1	16.4	23.9	37.5
	4	38.5	31.1	40.1	27.9	37.1
	Significant Increase	33.4	42.8	41.6	48.2	24.1
Supplies (postage, copying, etc.)	Significant Decrease	1.0	0.0	2.7	0.0	0.2
	2	4.6	1.8	7.9	7.3	4.0
	3	28.9	31.2	38.0	51.8	50.0
	4	43.5	46.9	35.7	35.5	37.4
	Significant Increase	22.0	20.1	15.8	5.4	8.4
Funds for training	Significant Decrease	1.3	2.0	0.6	0.0	0.0
	2	2.0	0.9	2.4	0.0	2.4
	3	58.2	44.7	52.2	54.0	54.5
	4	34.2	47.8	37.2	46.0	37.1
	Significant Increase	4.3	4.6	7.5	0.0	5.9
Funds for staff travel	Significant Decrease	1.3	2.0	0.6	0.0	0.0
	2	1.0	0.9	2.4	0.0	1.1
	3	54.6	41.7	51.5	60.5	61.3
	4	38.2	35.1	37.7	39.5	37.6
	Significant Increase	4.9	20.2	7.7	0.0	0.0
Development/modification of computer programs/procedures	Significant Decrease	0.0	0.0	1.3	0.0	1.1
	2	1.5	0.0	1.3	0.0	0.0
	3	13.4	22.1	13.1	40.6	37.1
	4	39.9	45.3	44.2	38.8	43.1
	Significant Increase	45.2	32.6	40.1	20.6	18.7

Table 2-8: Changes In Resources Needed for the Delivery of Financial Aid by Institutional Type and Control for FFEL Institutions Academic Year 1996-97

Materials/Training Provided by ED	Level of Change	Institutional Type and Control				
		4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Number of permanent or temporary staff positions related to financial aid	Significant Decrease	2.0	2.7	2.3	0.9	0.6
	2	4.8	2.7	4.4	3.4	3.2
	3	77.7	85.3	75.3	87.6	78.0
	4	15.0	7.8	16.1	6.3	17.5
	Significant Increase	0.6	1.4	2.0	1.8	0.7
Number of staff positions in Accounting or Business Office	Significant Decrease	0.3	0.6	0.8	1.0	0.1
	2	3.3	3.7	2.8	4.2	2.0
	3	87.5	89.5	84.2	84.7	84.1
	4	8.2	6.0	10.6	8.7	12.9
	Significant Increase	0.7	0.3	1.6	1.4	1.0
Number of staff used for technical support	Significant Decrease	0.6	0.7	0.9	1.4	0.0
	2	3.4	4.7	2.9	3.0	3.0
	3	78.4	84.7	80.7	85.7	84.6
	4	16.9	8.6	13.9	8.4	11.0
	Significant Increase	0.6	1.3	1.5	1.6	1.4
Number of hours current staff work	Significant Decrease	1.3	0.4	0.0	0.5	0.0
	2	7.6	2.5	3.8	2.9	0.9
	3	62.7	64.0	57.2	70.6	69.2
	4	20.3	27.2	32.0	21.1	22.7
	Significant Increase	8.1	5.9	7.0	4.9	7.3
Equipment/computers	Significant Decrease	0.0	0.0	0.3	0.0	0.1
	2	1.3	1.0	0.9	0.9	0.1
	3	46.7	57.2	43.4	53.6	55.0
	4	41.2	34.4	35.4	28.3	31.9
	Significant Increase	10.8	7.4	19.9	17.2	12.9
Supplies (postage, copying, ect.)	Significant Decrease	1.0	0.8	0.1	0.0	0.0
	2	7.5	3.0	6.6	2.9	3.7
	3	56.1	65.7	57.2	73.5	65.3
	4	28.3	26.1	30.7	21.1	29.8
	Significant Increase	7.1	4.4	5.5	2.4	1.1
Funds for training	Significant Decrease	2.0	2.5	0.6	2.1	1.2
	2	4.7	3.7	2.2	2.7	0.6
	3	75.8	79.4	73.5	78.6	74.5
	4	14.2	11.4	20.6	14.8	19.9
	Significant Increase	3.4	3.0	3.1	1.8	3.7
Funds for staff travel	Significant Decrease	2.6	3.2	0.9	3.1	1.7
	2	4.3	4.3	3.3	6.3	0.7
	3	70.7	77.7	72.4	75.2	74.0
	4	19.3	13.2	20.7	14.2	19.8
	Significant Increase	3.1	1.6	2.8	1.3	3.7
Development/modification of computer programs/procedures	Significant Decrease	0.3	0.9	0.4	0.0	0.6
	2	2.3	2.2	0.8	1.9	0.2
	3	36.6	49.6	34.0	50.1	54.1
	4	41.1	38.7	42.7	33.9	34.4
	Significant Increase	19.7	8.6	22.1	14.0	10.6

Table 2-9: Changes in Workload Resulting From Implementation of the Direct Loan Program
Academic Year 1996-97

Administrative Function	All Direct Loan Institutions		
	Decrease (%)	Same (%)	Increase (%)
Overall Level of Change in Workload	16.2	20.8	63.0
Training Financial Aid Staff	2.7	24.7	72.6
Counseling Borrowers on Direct Loan Program	3.3	61.2	35.5
Processing Loan Applications Creating Origination Records	20.2	25.6	54.2
Verifying Enrollment	6.7	68.6	24.7
Advising Students on Status of Loans	15.8	56.7	27.4
Requesting and Receiving Loan Funds by Institution	21.8	40.0	38.2
Disbursing Loan Funds to Students	27.1	44.3	28.6
Recordkeeping and Reporting	14.0	33.5	52.5
Cash Management	12.7	26.5	60.8
Reconciliation	6.0	18.9	75.0

Table 2-10: Changes in Workload Resulting From Implementation of the Direct Loan Program by Direct Loan Cohort
Academic Year 1996-97

Administrative Function	Loan Program Participation								
	Direct Loan 1st Yr.			Direct Loan 2nd Yr.			Direct Loan 3rd Yr.		
	Decrease (%)	Same (%)	Increase (%)	Decrease (%)	Same (%)	Increase (%)	Decrease (%)	Same (%)	Increase (%)
Overall Level of Change in Workload	23.5	32.8	43.7	17.4	18.4	64.2	4.7	22.6	72.7
Training Financial Aid Staff	7.7	28.4	63.9	2.2	24.9	72.8	0.7	20.6	78.7
Counseling Borrowers on Direct Loan Program	10.2	65.7	24.1	2.7	58.5	38.8	0.7	69.9	29.5
Processing Loan Applications Creating	23.5	33.4	43.1	21.5	21.5	57.0	11.7	38.0	50.4
Verifying Enrollment	12.5	65.9	21.5	6.7	66.7	26.7	2.6	79.2	18.2
Advising Students on Status of Loans	25.1	50.2	24.8	16.4	54.5	29.1	5.8	72.1	22.0
Requesting and Receiving Loan Funds by Institution	25.4	36.2	38.4	25.4	37.7	36.9	2.7	53.7	43.5
Disbursing Loan Funds to Students	26.1	41.7	32.2	29.9	41.1	29.0	15.3	61.3	23.5
Recordkeeping and Reporting	20.0	35.2	44.8	15.0	31.1	53.8	4.7	42.6	52.7
Cash Management	15.6	38.0	46.4	14.2	21.6	64.3	3.9	39.7	56.5
Reconciliation	5.9	26.7	67.5	6.5	16.1	77.4	4.0	25.9	70.0

BEST COPY AVAILABLE

Table 2-11: Changes in Workload Resulting From Direct Loan Implementation by Institutional Type and Control Academic Year 1996-97

		Institutional Type and Control				
Administrative Function	Level of Change	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Training Financial Aid staff	Significant Decrease	2.0	0.0	1.8	0.0	0.0
	Small Decrease	5.6	1.7	1.9	4.0	0.3
	No Change	23.8	17.3	21.7	38.4	27.7
	Small Increase	45.8	51.2	52.6	42.7	64.1
	Significant Increase	22.8	29.7	22.0	14.8	7.9
Counseling borrowers on Direct Loan Program	Significant Decrease	1.5	0.0	0.0	0.0	0.0
	Small Decrease	6.5	1.7	4.4	0.0	1.3
	No Change	46.1	53.7	59.7	58.7	70.3
	Small Increase	35.4	23.9	31.9	33.3	25.2
	Significant Increase	10.4	20.8	4.0	7.9	3.2
Processing loan applications/creating origination records	Significant Decrease	2.0	3.6	11.0	0.0	1.5
	Small Decrease	19.8	16.2	15.4	14.5	7.2
	No Change	16.0	15.1	13.5	39.9	38.1
	Small Increase	22.9	29.0	34.2	18.8	38.1
	Significant Increase	21.6	36.0	25.9	26.8	15.3
Verifying enrollment	Significant Decrease	7.7	1.8	1.0	0.0	0.0
	Small Decrease	12.5	4.8	7.4	0.0	0.5
	No Change	59.6	54.1	62.8	67.5	78.6
	Small Increase	12.6	34.6	20.1	24.6	15.9
	Significant Increase	7.5	4.7	8.7	7.9	5.0
Advising students on status of loans	Significant Decrease	15.6	5.4	8.8	0.0	0.3
	Small Decrease	22.9	10.0	15.9	7.3	2.1
	No Change	36.4	37.1	47.9	50.8	74.6
	Small Increase	15.3	28.4	18.2	22.1	17.9
	Significant Increase	9.8	19.1	9.2	19.8	5.1
Requesting and receiving loan funds by institution	Significant Decrease	23.7	13.9	20.4	0.0	2.6
	Small Decrease	12.3	13.4	17.2	14.5	4.6
	No Change	26.2	26.9	32.4	40.6	52.9
	Small Increase	24.6	28.0	20.4	31.5	35.2
	Significant Increase	13.2	17.8	9.6	13.4	4.7
Disbursing loan funds to students	Significant Decrease	30.5	13.3	25.4	7.3	2.6
	Small Decrease	15.3	17.1	12.1	12.7	11.2
	No Change	29.5	24.7	32.7	34.8	61.3
	Small Increase	14.2	23.8	18.5	20.0	18.3
	Significant Increase	10.6	21.1	11.3	25.3	6.6
Recordkeeping and reporting	Significant Decrease	6.7	4.7	7.0	0.0	1.0
	Small Decrease	17.8	12.0	10.6	0.0	6.9
	No Change	29.3	18.0	32.0	41.7	39.3
	Small Increase	32.6	31.5	33.5	40.9	33.3
	Significant Increase	13.6	33.8	17.0	17.3	19.5
Cash management	Significant Decrease	10.7	3.5	8.1	0.0	1.4
	Small Decrease	13.4	11.3	12.3	0.0	2.7
	No Change	20.6	12.7	22.5	27.0	34.4
	Small Increase	37.0	46.1	33.7	51.5	38.7
	Significant Increase	18.3	26.3	23.4	21.6	22.9
Reconciliation	Significant Decrease	3.1	0.0	2.4	0.0	2.3
	Small Decrease	4.1	5.5	5.4	0.0	2.8
	No Change	10.3	4.6	9.8	33.0	30.1
	Small Increase	40.2	43.4	41.1	19.2	39.5
	Significant Increase	42.3	46.5	41.3	47.8	25.3

Table 2-12: Temporary Versus Permanent Changes in Workload Resulting From Implementation of the Direct Loan Program Academic Year 1996-97

Change	Direct Loan Institutions			
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)
Temporary	20.7	18.3	40.5	22.0
Permanent	79.3	81.7	59.5	78.0

Table 3-1: Timeliness/Usefulness of ED-Provided Materials and Training for Direct Loan Institutions
Academic Year 1996-97
(Percentage of Institutions Rating Activities Either Timely or Useful)

ED-Provided Materials/Training	Direct Loan Institutions	
	Timeliness (%)	Usefulness (%)
Information on Direct Loan Rules and Regulations	72.9	79.8
Telephone Support for Policy and Administrative Guidance	56.8	68.7
Direct Loan Users Guide	63.2	67.1
In-Person Assistance	57.5	65.8
Borrower Counseling Materials	69.1	85.8
Training Materials for Counselors	66.3	74.6
Entrance/Exit Counseling Videos	71.9	72.9
Pre-printing Promissory Notes	83.1	89.6
Reconciliation Guide	57.4	59.2
Consolidation Booklet	61.2	69.3
Loan Origination Support	57.0	64.6
Loan Reconciliation Support	41.0	51.8
Training and Technical Support	53.8	61.7
Software for Administration or Reporting Functions	53.9	55.9
Videoconferences	51.7	51.4

Table 3-2: Timeliness/Usefulness of ED/Lender/Guarantee-Agency-Provided Materials and Training for FFEL Institutions
Academic Year 1996-97
(Percentage of Institutions Rating Activities Either Timely or Useful)

Agency-Provided Materials and Training	FFEL Institutions					
	Timeliness			Usefulness		
	ED (%)	Lender (%)	GA (%)	ED (%)	Lender (%)	GA (%)
Information on FFEL Program Rules and Regulations	56.3	73.8	79.8	66.1	78.6	82.2
Telephone Support for Policy or Administrative Guidance	47.3	78.7	82.3	57.5	81.4	83.4
Borrower Counseling Materials	55.8	80.9	79.0	58.2	81.9	80.3
Training Sessions	54.3	68.1	74.7	60.9	72.6	77.3
Software for Administrative or Reporting Functions	47.2	66.6	72.2	49.9	72.9	75.5

Table 3-3: Timeliness/Usefulness of ED-Provided Materials and Training for Direct Loan and FFEL Institutions
Academic Year 1996-97
(Percentage of Institutions Rating Activities Either Timely or Useful)

ED-Provided Materials and Training	Loan Program Participation			
	Timeliness		Usefulness	
	DL (%)	FFEL (%)	DL (%)	FFEL (%)
Information on Program Rules and Regulations	72.8	56.3	79.9	66.1
Telephone Support for Policy or Administrative Guidance	57.0	47.3	68.9	57.5
Borrower Counseling Materials	68.7	55.8	85.8	58.2
Software for Administrative or Reporting Functions	54.5	47.2	54.5	47.2

Table 3-4: Timeliness/Usefulness of ED-Provided Materials and Training for Direct Loan Institutions

Academic Years 1994-95, 1995-96, and 1996-97

(Percentage of Institutions Rating Activities Either Timely or Useful)

ED-Provided Materials/Training	Direct Loan Institutions					
	1994-95		1995-96		1996-97	
	Timeliness (%)	Usefulness (%)	Timeliness (%)	Usefulness (%)	Timeliness (%)	Usefulness (%)
Information on Direct Loan Rules and Regulations	87.9	92.9	86.2	86.9	69.8	79.3
Telephone Support for Policy and Administrative Guidance	89.7	95.8	85.9	89.3	56.8	67.4
Direct Loan Users Guide	89.1	85.9	85.1	80.2	59.6	65.9
In-Person Assistance	93.3	95.6	85.9	88.2	55.4	66.8
Borrower Counseling Materials	74.0	92.9	90.4	93.5	66.3	85.7
Training Materials for Counselors	**NA**	**NA**	90.3	87.0	62.9	72.3
Entrance/Exit Counseling Videos	**NA**	**NA**	87.7	74.2	68.3	68.3
Pre-printing Promissory Notes	88.6	97.7	93.9	96.4	83.4	90.3
Reconciliation Guide	**NA**	**NA**	77.6	75.3	54.3	55.5
Consolidation Booklet	**NA**	**NA**	82.3	85.9	59.5	68.9
Loan Origination Support	93.3	96.6	92.4	90.1	53.3	61.6
Loan Reconciliation Support	**NA**	**NA**	81.8	83.3	38.5	48.4
Training and Technical Support	**NA**	**NA**	84.1	81.4	52.2	61.9
Software for Administration or Reporting Functions	**NA**	**NA**	**NA**	**NA**	51.7	55.7
Videoconferences	**NA**	**NA**	80.9	66.5	55.1	51.3

Table 3-5: Timeliness/Usefulness of ED-Provided Materials and Training for FFEL Institutions
Academic Years 1994-95, 1995-96, and 1996-97
(Percentage of Institutions Rating Activities Either Timely or Useful)

ED-Provided Materials and Training	FFEL Institutions					
	Timeliness			Usefulness		
	1994-95 (%)	1995-96 (%)	1996-97 (%)	1994-95 (%)	1995-96 (%)	1996-97 (%)
Information on FFEL Program Rules and Regulations	47.9	51.2	56.1	65.8	58.5	67.4
Telephone Support for Policy or Administrative Guidance	51.9	51.2	45.6	62.4	65.0	56.5
Borrower Counseling Materials	65.7	63.3	54.2	68.4	68.2	57.8
Training Sessions	61.8	56.8	54.0	67.8	64.8	61.1
Software for Administrative or Reporting Functions	68.6	53.0	46.0	69.7	67.9	49.2

Table 3-6: Timeliness/Usefulness of Lender-Provided Materials and Training for FFEL Institutions
Academic Years 1994-95, 1995-96, and 1996-97
(Percentage of Institutions Rating Activities Either Timely or Useful)

Lender-Provided Materials and Training	FFEL Institutions					
	Timeliness			Usefulness		
	1994-95 (%)	1995-96 (%)	1996-97 (%)	1994-95 (%)	1995-96 (%)	1996-97 (%)
Information on FFEL Program Rules and Regulations	82.8	84.5	73.8	84.3	84.4	79.2
Telephone Support for Policy or Administrative Guidance	85.3	89.0	79.4	86.3	88.1	82.0
Borrower Counseling Materials	89.0	88.5	82.1	88.5	88.2	82.8
Training Sessions	83.1	81.8	69.4	83.1	82.2	73.4
Software for Administrative or Reporting Functions	87.6	79.7	68.5	85.9	78.5	74.2

BEST COPY AVAILABLE

Table 3-7: Timeliness/Usefulness of Guarantee-Agency-Provided Materials and Training for FFEL Institutions
Academic Years 1994-95, 1995-96, and 1996-97
(Percentage of Institutions Rating Activities Either Timely or Useful)

	FFEL Institutions					
	Timeliness			Usefulness		
Guarantee-Agency Provided Materials and Training	1994-95 (%)	1995-96 (%)	1996-97 (%)	1994-95 (%)	1995-96 (%)	1996-97 (%)
Information on FFEL Program Rules and Regulations	83.9	86.4	81.6	86.0	88.5	83.5
Telephone Support for Policy or Administrative Guidance	85.4	88.4	83.0	87.1	89.4	83.9
Borrower Counseling Materials	88.0	88.1	79.5	87.4	87.3	80.9
Training Sessions	84.4	86.1	75.9	84.1	83.9	78.0
Software for Administrative or Reporting Functions	87.2	85.5	74.2	87.3	84.0	76.6

Table 3-8: Frequency of Communications With Servicers Regarding Loan Repayment and Consolidation Academic Year 1996-97

Loan Consolidation/ Repayment Activities	Loan Program Participation							
	Direct Loan				FFEL			
	Frequently (%)	Sometimes (%)	Seldom (%)	Never (%)	Frequently (%)	Sometimes (%)	Seldom (%)	Never (%)
Refer borrower to servicer for consolidation information and/or materials	41.0	37.4	12.7	9.0	32.2	46.6	16.9	4.2
Contact servicer directly to obtain consolidation forms/information	16.8	49.5	23.9	9.8	22.5	43.1	26.5	7.9
Intervene with servicer at the request of borrowers regarding consolidation issues	13.6	44.0	31.3	11.2	16.9	40.1	33.4	9.6
Refer borrower to servicer for repayment information and/or materials	43.0	35.7	14.9	6.4	48.4	42.2	8.3	1.1
Contact servicer directly to obtain repayment forms/information	25.1	41.3	25.8	7.8	36.4	45.0	15.8	2.8
Intervene with servicer at the request of borrowers regarding repayment issues	18.3	42.5	30.3	8.7	26.4	43.8	25.5	4.4

Table 3-9: Satisfaction With Communications With Servicers Concerning Loan Repayment and Consolidation
Academic Year 1996-97
(Percentage of Institutions Rating Communications Satisfactory)

Type of Communications	Loan Program Participation					
	Direct Loan				FFEL (%)	All (%)
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)		
Loan Repayment	72.1	71.4	87.5	73.9	84.6	81.8
In-School Consolidation	62.7	62.0	85.7	65.2	73.9	71.5
Out-of-School Consolidation	56.1	64.2	78.0	64.9	75.2	72.3

Table 3-10: Level of Satisfaction With ED/Servicer Communications Regarding Loan Repayment and Consolidation by Institutional Type and Control for Direct Loan Institutions
Academic Year 1996-97

Administrative Function	Level of Change	Institutional Type and Control				
		4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Loan Repayment	Very Satisfied	29.1	15.8	37.2	31.3	34.7
	2	38.6	30.6	30.8	57.6	45.1
	3	23.7	53.6	28.1	11.1	17.8
	4	6.9	0.0	2.8	0.0	2.3
	Very Dissatisfied	1.7	0.0	1.1	0.0	0.0
In-school Direct Loan Consolidation	Very Satisfied	17.6	6.5	24.5	31.3	26.8
	2	28.5	33.0	38.0	57.6	47.5
	3	33.5	55.4	29.2	11.1	20.6
	4	6.9	0.0	5.7	0.0	5.2
	Very Dissatisfied	8.1	5.1	2.5	0.0	0.0
Out-of-school Direct Loan Consolidation	Very Satisfied	19.3	6.5	23.9	0.0	28.5
	2	30.3	30.7	35.2	83.9	47.3
	3	29.2	30.9	30.1	16.1	19.5
	4	9.7	2.0	6.4	0.0	2.9
	Very Dissatisfied	11.5	29.9	4.4	0.0	1.8

Table 3-11: Satisfaction With ED-Provided Repayment Regulations for Direct Loan Schools
Academic Years 1995-96 and 1996-97
(Percentage of Institutions Rating Regulations Either Timely or Clear)

Type of Repayment	Direct Loan Institutions			
	Timeliness		Clarity	
	1995-96 (%)	1996-97 (%)	1995-96 (%)	1996-97 (%)
Standard repayment plan	89.4	78.0	89.2	75.0
Income-contingent repayment plan	87.4	74.6	78.0	66.1
Extended repayment plan	86.8	76.7	84.4	72.9
Graduated repayment plan	87.7	76.6	82.2	71.6

Table 3-12: Satisfaction With ED-Provided Consolidation Guidelines for Direct Loan Schools
Academic Years 1995-96 and 1996-97
(Percentage of Institutions Rating Regulations Either Timely or Clear)

Type of Consolidation	Direct Loan Institutions			
	Timeliness		Clarity	
	1995-96 (%)	1996-97 (%)	1995-96 (%)	1996-97 (%)
In-school Direct Loan consolidation	62.2	53.6	63.7	52.5
Out-of-school Direct Loan consolidation	70.7	53.2	69.5	51.3
In-school FFEL consolidation	66.7	57.0	65.2	52.0
Out-of-school FFEL consolidation	67.2	55.7	65.1	52.7

BEST COPY AVAILABLE

Table 3-13: Timeliness/Clarity of ED's Loan Repayment and Consolidation Guidelines by Institutional Type and Control for Direct Loan Institutions
Academic Year 1996-97
(Percentage of Institutions Rating Activities Either Timely or Clear)

ED-Provided Materials /Training	Institutional Type and Control					
	Rating (%)	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Standard repayment plan	Timeliness	73.0	83.1	75.6	35.2	82.7
	Clarity	74.4	85.2	77.0	35.2	73.9
Income contingent repayment plan	Timeliness	68.6	82.5	75.3	0.0	77.8
	Clarity	65.7	79.9	75.6	0.0	60.7
Extended repayment plan	Timeliness	72.7	82.5	75.3	0.0	80.2
	Clarity	72.4	84.6	76.8	0.0	70.3
Graduated repayment plan	Timeliness	73.0	82.5	75.3	0.0	79.9
	Clarity	72.6	79.9	76.5	0.0	68.5
In-school Direct Loan consolidation	Timeliness	52.2	37.5	55.2	45.5	58.8
	Clarity	52.8	32.2	50.5	45.5	59.1
Out-of-school Direct Loan consolidation	Timeliness	52.2	39.7	57.2	26.3	56.1
	Clarity	52.3	29.6	54.2	26.3	55.1
In-school FFEL consolidation	Timeliness	61.5	77.7	53.0	26.3	55.6
	Clarity	58.3	53.4	43.4	26.3	54.7
Out-of-school FFEL consolidation	Timeliness	60.2	71.9	50.7	26.3	55.5
	Clarity	60.2	53.4	45.8	26.3	53.8

Table 3-14: Contact With ED Regional Office
by Direct Loan Cohort
Academic Year 1996-97
(Percentage of Institutions Rating Activities Satisfactory)

Type of Contact	Direct Loan Institutions							
	Timeliness				Usefulness			
	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)	1st Yr. (%)	2nd Yr. (%)	3rd Yr. (%)	Combined (%)
Training Received at the Regional Office	80.1	70.0	94.7	74.9	89.6	77.7	89.7	81.0
Training/Guidance Delivered by Account Managers at your Institution	87.7	61.8	52.1	64.2	87.6	66.0	52.1	67.4
Questions Regarding Direct Loan Policy	87.1	72.3	73.5	74.3	87.5	77.2	82.7	79.2
Entrance/Exit Counseling Issues	92.4	67.5	84.7	72.8	89.6	77.7	89.7	81.0
Requests for ED-Provided Materials	88.3	74.9	89.4	78.6	94.5	84.2	89.3	86.1
Questions/Issues Regarding Computer Systems Design or Implementation	74.9	58.7	81.4	63.2	72.2	61.5	70.7	63.8
Questions/Issues Regarding Loan Origination	86.8	66.7	80.4	70.8	81.1	66.7	82.1	70.4
Questions/Issues Regarding Disbursement and/or Refunding of Excess Funds to Borrowers	80.3	66.9	76.8	69.8	79.0	69.7	86.7	73.0
Computer-Related Reconciliation Issues	69.5	51.7	62.0	55.1	71.5	51.6	65.8	55.7
Accounting-Related Reconciliation Issues	73.7	52.0	71.9	57.3	68.3	52.0	73.6	56.7
Inquiries Requesting Appropriate Sources of Contact for Specific Questions	84.2	67.1	80.1	70.7	83.0	71.6	76.2	73.5

BEST COPY AVAILABLE

Table 4-1: Ease of Setting Up Implementation Processes
3rd-Year Direct Loan Institutions
Academic Year 1996-97

Activities and Processes	Ease of Direct Loan Implementation		
	Easy to Set Up Process (%)	Moderate Effort to Set Up Process (%)	Difficult to Set Up Process (%)
Installation of EDExpress Into your Institution's Own Computer System	32.6	55.6	11.8
Development and Conduct of Internal Staff Training on the Direct Loan Program	19.6	70.5	9.8
Development of Procedures/Materials to Counsel Borrowers on Direct Loans	55.6	43.5	0.8
Development of Institutional Procedures for Processing Loan Applications and Ensuring Loan Origination	21.3	61.1	17.6
Development of Promissory Note Review and Transmittal Procedures	29.8	59.1	11.1
Development of Loan Disbursement Procedures (e.g., crediting student accounts)	48.3	45.8	6.0
Development of Internal Recordkeeping and Procedures for Reporting to Direct Loan System	11.2	73.8	15.0
Development of Institutional Cash Management Procedures	20.2	71.8	8.0
Development of Reconciliation Procedures at Your Institution	8.6	71.5	19.9

Table 4-2: Decision to Phase In or Switch Exclusively to the Direct Loan Program
Implementing Direct Loan Institutions
Academic Years 1994-95, 1995-96, and 1996-97

Level of Participation	Year of Direct Loan Implementation		
	1994-95 (%)	1995-96 (%)	1996-97 (%)
Phase-in	28.1	41.2	64.4
Switch Exclusively	71.9	58.8	35.6

Table 4-3: Decision to Phase-In or Switch Exclusively to the Direct Loan Program by Institutional Type and Control
3rd-Year Direct Loan Institutions
Academic Year 1996-97

Level of Participation	Institutional Type and Control				
	4-Year Public (%)	2-Year Public (%)	4-Year Private (%)	2-Year Private (%)	Proprietary (%)
Phase-in	39.1	44.9	39.0	36.5	70.6
Switch Exclusively	60.9	55.1	61.0	63.5	29.4

Table 4-4: Factors Influencing the Decision to Phase In the Direct Loan Program
3rd-Year Direct Loan Institutions
Academic Year 1996-97

Factors Influencing Phase-In	3rd-Year Direct Loan Institutions		
	Very Important (%)	Somewhat Important (%)	Not at All Important (%)
Did Not Want to Confuse Borrowers Who Already had FFEL Loans	61.1	24.8	14.1
Wanted to Delay Full Commitment Until the Department of Education has Gained Experience With the New Program	32.0	33.0	35.0
Wanted to Learn How to Implement the Program with a Small Group Before Committing the Entire Institution	54.4	31.2	14.4
Wanted to Maintain Relationships with Lender(s) and/or Guarantor(s)	65.7	11.0	23.3
Wanted to Keep Graduate/Professional Students in the FFEL Program	72.8	15.3	11.9

Table 4-5: Factors Influencing the Decision to Phase In the Direct Loan Program
Implementing Direct Loan Institutions
Academic Years 1994-95, 1995-96, and 1996-97
(Institutions Rating Factor as Very Important)

Factors Influencing Phase-In	Year of Direct Loan Implementation		
	1994-95 (%)	1995-96 (%)	1996-97 (%)
Did not want to confuse borrowers who already had FFEL loans	49.5	62.8	61.1
Wanted to delay full commitment until the Department of Education has gained experience with the new program	27.0	41.3	32.1
Wanted to learn how to implement the program with a small group before committing the entire institution	62.0	52.5	54.5
Wanted to maintain relationships with lender(s) and/or guarantor(s)	17.7	53.9	65.7
Wanted to keep graduate/professional students in the FFEL Program	11.4	18.7	72.8

Table 4-6: Factors Influencing the Decision to Offer Only Direct Loans
3rd-Year Direct Loan Institutions
Academic Year 1996-97

Factors Influencing Exclusive Direct Loans	3rd-Year Direct Loan Institutions		
	Very Important (%)	Somewhat Important (%)	Not at All Important (%)
Did Not Want to Confuse Borrowers by Offering Two Loan Programs	53.2	23.0	23.8
Did Not Want the Complexity of Administering Two Programs Simultaneously	78.9	11.8	9.4
Did Not Want to Continue to Administer the FFEL Program	54.7	42.8	2.4
Wanted to Avoid Uncertainty Regarding the Availability of Loan Funds Under FFEL	42.7	41.9	15.5

Table 4-7: Factors Influencing the Decision to Switch Exclusively to the Direct Loan Program
Implementing Direct Loan Institutions
Academic Years 1994-95, 1995-96, and 1996-97
(Institutions Rating Factor as Very Important)

Factors Influencing Exclusive Direct Loans	Year of Direct Loan Implementation		
	1994-95 (%)	1995-96 (%)	1996-97 (%)
Did not want to confuse borrowers by offering two loan programs.	70.9	73.7	53.2
Did not want the complexity of administering two programs simultaneously.	88.8	82.4	78.9
Did not want to continue to administer the FFEL Program.	51.7	34.9	54.7
Wanted to avoid uncertainty regarding the availability of loan funds under FFEL.	33.3	32.1	42.6

Table 4-8: Satisfaction With ED's Responsiveness to Problems During the Implementation of the Direct Loan Program
3rd-Year Direct Loan Institutions
Academic Year 1996-97

Level of Satisfaction	3rd-Year Direct Loan Institutions (%)
Very Satisfied	21.0
2	35.1
3	35.6
4	4.6
Very Dissatisfied	3.7

Table 4-9: Satisfaction With ED's Responsiveness to Problems During the Implementation of the Direct Loan Program
Implementing Direct Loan Institutions
Academic Years 1994-95, 1995-96, and 1996-97

Level of Satisfaction	Year of Direct Loan Implementation 1994-95 (%)	1995-96 (%)	1996-97 (%)
Very Satisfied	53.5	43.3	21.0
2	33.0	35.9	35.1
3	7.2	15.3	35.6
4	3.4	4.0	4.6
Very Dissatisfied	2.9	1.5	3.7

88

Appendix B

Distribution of Responses and Response Rates

Distribution of Responses/Sample Representation *(First Year Direct Loan Institutions)*

Variable	Initial Sample (#)	Initial Sample (%)	Respondent Sample (#)	Respondent Sample (%)	Response Rate (%)
Institutional type and control:					
4-year public	36	30.77	34	33.01	94.44
2-year public	10	8.55	9	8.74	90.00
4-year private	25	21.37	20	19.42	80.00
2-year private	6	5.13	6	5.83	100.00
Proprietary	40	34.19	34	33.01	85.00
Loan volume:					
$1,000,000 or less	30	25.64	30	29.13	100.00
$1,000,001 to $5,000,000	42	35.90	34	33.01	80.95
$5,000,001 to 10,000,000	9	7.69	8	7.77	88.89
10,000,001 to 20,000,000	15	12.82	12	11.65	80.00
Over 20,000,000	21	17.95	19	18.45	90.48

Distribution of Responses/Sample Representation *(Second Year Direct Loan Institutions)*

Variable	Initial Sample (#)	Initial Sample (%)	Respondent Sample (#)	Respondent Sample (%)	Response Rate (%)
Institutional type and control:					
4-year public	182	34.21	149	35.06	81.87
2-year public	74	13.91	62	14.59	83.78
4-year private	113	21.24	98	23.06	86.72
2-year private	17	3.20	11	2.59	64.71
Proprietary	146	27.44	105	24.71	71.92
Loan volume:					
$1,000,000 or less	111	20.86	93	21.88	83.78
$1,000,001 to $5,000,000	249	46.80	190	44.71	76.31
$5,000,001 to 10,000,000	80	15.04	65	15.29	81.25
10,000,001 to 20,000,000	45	8.46	40	9.41	88.89
Over 20,000,000	47	8.83	37	8.71	78.72

Distribution of Responses/Sample Representation *(Third Year Direct Loan Institutions)*

Variable	Initial Sample (#)	Initial Sample (%)	Respondent Sample (#)	Respondent Sample (%)	Response Rate (%)
Institutional type and control:					
4-year public	13	14.77	11	18.97	84.62
2-year public	9	10.23	6	10.34	66.67
4-year private	10	11.36	7	12.07	70.00
2-year private	7	7.95	3	5.17	42.86
Proprietary	49	55.68	31	53.45	63.27
Loan volume:					
$1,000,000 or less	44	50.00	27	46.55	61.36
$1,000,001 to $5,000,000	26	29.55	20	34.48	76.92
$5,000,001 to 10,000,000	11	12.50	7	12.07	63.64
10,000,001 to 20,000,000	4	4.55	3	5.17	75.00
Over 20,000,000	3	3.41	1	1.72	33.33

Distribution of Responses/Sample Representation *(FFEL Institutions)*

Variable	Initial Sample (#)	Initial Sample (%)	Respondent Sample (#)	Respondent Sample (%)	Response Rate (%)
Institutional type and control:					
4-year public	328	16.59	288	17.71	87.80
2-year public	505	25.54	440	27.06	87.13
4-year private	547	27.67	449	27.61	82.08
2-year private	263	13.30	204	12.55	77.57
Proprietary	334	16.89	245	15.07	73.35
Loan volume:					
$1,000,000 or less	787	39.81	645	39.67	81.96
$1,000,001 to $5,000,000	723	36.57	595	36.59	82.30
$5,000,001 to 10,000,000	233	11.79	194	11.93	83.26
10,000,001 to 20,000,000	151	7.64	123	7.56	81.47
Over 20,000,000	83	4.20	69	4.24	83.14

Appendix C

Questionnaire With Item Response Frequencies

Guide to Interpreting Survey Responses

Appendix C contains the unweighted and weighted survey questionnaire with the item responses. The percentage of respondents who answered each possible response category is listed beside each survey question. For example, if the response choices were "Easy" and "Difficult", the percentage of respondents who answered "Easy" to this item and the percentage of respondents who answered "Difficult" to this item would be displayed after each response choice respectively.

The unweighted questionnaire is presented first, followed by the weighted. The unweighted data are the exact distribution of responses from those surveyed, while the weighted data represents an estimate of how the entire population would have responded had they all been asked. The tables presented in Appendix A and referenced in Volume One are weighted so that generalizations to the entire population of institutions are possible.

The first set of unweighted and weighted percentage scores refer to the total responses (T%). The total responses include all of the respondents who answered each possible response category including respondents who answered "Don't Know" or "Refused" (by "Don't Know" we mean the respondent failed to choose a given response choice and stated that they didn't know the answer, and by "Refused" we mean the respondent refused to answer the question at all). These figures provide a gross response rate for each question.

The second set of unweighted and weighted percentage scores are based on valid responses only (V%). These valid percentages are comprised of the respondents who chose one of the possible response choices excluding "Don't Know" or "Refused." These figures provide a valid response rate that incorporates only those respondents who chose an answer from the given response choices.

Unweighted Questionnaire

Identifying Information

CONFIDENTIALITY

Identities of institutions and names of individuals will be kept strictly confidential by Macro International Inc. Identifying information will be used for followup purposes only. All information obtained from this survey will be presented to the Department of Education in aggregated form only.

In the spaces provided below, please enter the name, title, e-mail address, and telephone number of the person completing this form, and the date on which the questionnaire was completed.

Name:
Title:
Date:
E-mail Address:
Telephone Number:

If your address is different from the label on the front cover, please correct it in the space below.

BEST COPY AVAILABLE

School Identification

1) {ID1} Which of the following describes your institution in terms of participation in the Direct Loan and Federal Family Education Loan Programs during the 1996/1997 academic year? ***(Please check one response only, and complete the sections of the questionnaire indicated by the arrow.)***

%			
70.9	Institution offers FFEL loans only. School has **never** participated in the Direct Loan Program.	------------->	Please complete Sections A, F, G, H, and K.
0.9	Institution currently offers FFEL loans only. School participated in the Direct Loan Program in 1994/1995 or 1995/1996, but no longer participates in Direct Lending.	------------->	Please complete Sections F, G, H, I, and K.
4.7	Institution began originating loans in the Direct Loan Program in academic year 1994/1995. (Year 1 School)	------------->	Please complete Sections A, C, D, E, and K.
	Institution also originates FFEL loans.	------------->	*Please also complete Sections F, G, and H.*
18.9	Institution began originating loans in the Direct Loan Program in academic year 1995/1996. (Year 2 School)	------------->	Please complete Sections A, C, D, E, and K.
	Institution also originates FFEL loans.	------------->	*Please also complete Sections F, G, and H.*
2.5	Institution began originating loans in the Direct Loan Program in academic year 1996/1997. (Year 3 School)	------------->	Please complete Sections A, B, C, D, E, and K.
	Institution also originates FFEL loans.	------------->	*Please also complete Sections F, G, and H.*
3.0	Institution has been selected for participation in the Direct Loan Program; however, no Direct Loans have been originated.	------------->	Please complete Section I.
	Institution also originates FFEL loans.	------------->	*Please also complete Sections F, G, and H.*
0.0	Institution does not currently participate in either the Direct Loan Program or the Federal Family Education Loan Program.	------------->	Please complete Section J only.
0.0	School closed.	------------->	Please complete Section J only.

Section A—Background Information

A1) Which of the following best characterizes the current structure of the Financial Aid Office(s) at your institution as it relates to processing loans? *(Check only one response.)*

T%	V%	
70.6	70.9	The institution has a single campus, branch, or school; one office administers financial aid for the entire institution.
11.6	11.6	Each campus, branch, or school within the institution is served by a separate Financial Aid Office.
16.7	16.8	Multiple campuses, branches, or schools within the institution are served by a single Financial Aid Office.
0.7	0.7	Other (Specify):

A2) Please indicate the type of computer system currently used by your institution to administer student financial aid. *(Check only one response.)*

Type of System Used

T%	V%	
7.0	7.3	Mainframe system only
39.0	40.6	Mainframe to personal computer (PC) with interface
18.1	18.8	Independent mainframe and personal computers (PCS)
29.2	30.4	Personal computers (PCS) only
2.0	2.1	No computer system used; all manual processing
0.7	0.8	Other (Specify):

A3) What was your total dollar Stafford (subsidized and unsubsidized) and PLUS loan volume for the **1996/97** Federal Award Year?[1]

(Record separately for each of the applicable loan programs, and combined. Circle NA for "FFEL" or "Direct Loan," if the loan program was not offered at your institution during the 1995/96 academic year.)

{A31} FFEL $________________ NA
{A32} Direct Loan $________________ NA
{A33} Total $________________ NA

If you entered "zero" for your total dollar loan volume and you do not expect a change in loan volume for the 1996/97 Federal Award Year, please skip to Section J of the questionnaire.

A4) Do you expect a change in total loan volume for the 1996/97 Federal Award Year?

T%	V%	
35.7	36.2	Yes
63.0	63.8	No

If "Yes" in A4

A5) If you expect a significant change in total loan volume for the 1996/97 Federal Award Year, please indicate the expected level of change below.

Percentage increase__________% **or** Percentage decrease__________%
{A51} {A52}

---

[1] Since the timing of our survey may have prevented institutions from providing accurate estimates of their total loan volume, the means for these questions, A3 and A5, are suppressed.

Section B—Initial Implementation of the Direct Loan Program (For Year 3 Direct Loan Institutions)

B1) The following items describe various activities and processes necessary for the implementation and startup of the Direct Loan Program. This question refers to the **startup activities only**; it does not cover ongoing administration. This may be a question for which you want to consult other staff (such as the Business or Bursar's Office) involved in setting up the processes. Please rate the ease of setting up these processes at your institution using the following scale. *(Circle one rating for each activity.)*

1 = Easy to set up process at my institution
2 = Moderate level of effort required to set up process
3 = Difficult to set up process at my institution
NA = Not applicable; did not implement this process or process was implemented by a third party.

Activities and Processes	Ease of Implementation							
	Easy to set up process		Moderate level of effort required		Difficult to set up process		Not applicable	
	T%	V%	T%	V%	T%	V%	T%	V%
Installation of EDExpress into your institution's own computer system	20.7	21.4	46.6	48.2	5.2	5.4	24.1	25.0
Development and conduct of internal staff training on the Direct Loan Program	17.2	17.9	58.6	60.7	6.9	7.1	13.8	14.3
Development of procedures/materials to counsel borrowers on Direct Loans	50.0	52.7	39.7	41.8	1.7	1.8	3.4	3.6
Development of institutional procedures for processing loan applications and ensuring loan origination	19.0	19.6	53.4	55.4	15.5	16.1	8.6	8.9
Development of promissory note review and transmittal procedures	25.9	26.8	44.8	46.4	8.6	8.9	17.2	17.9
Development of loan disbursement procedures (e.g., crediting student accounts)	37.9	39.3	44.8	46.4	6.9	7.1	6.9	7.1
Development of internal recordkeeping and procedures for reporting to Direct Loan System (includes tracking information on borrowers and their loans both during and after enrollment period, and communication about borrowers to ED and its contractors)	8.6	8.9	58.6	60.7	13.8	14.3	15.5	16.1
Development of institutional cash management procedures (includes estimating capital needs, tracking receipt of funds, and reporting cancellations or refunds)	17.2	17.9	56.9	58.9	6.9	7.1	15.5	16.1
Development of reconciliation procedures at your institution	8.6	9.1	48.3	50.9	24.1	25.5	13.8	14.5

B2) In the space below, check whether you are offering both Direct Loans and FFEL in 1996/97, or offering only Direct Loans. Then rate the items corresponding to that column only, as indicated by the arrow.

IF OFFERING BOTH DIRECT LOANS AND FFEL, CHECK HERE AND ANSWER THE COLUMN BELOW

T%	V%	
62.1	64.3	Yes

What factors influenced your decision to phase-in the Direct Loan Program? Rate each item below regarding its influences or importance in the overall decision, using the following scale:	Rating							
	1 Very Important		2 Somewhat Important		3 Not at all Important		NA Not Applicable	
	T%	V%	T%	V%	T%	V%	T%	V%
Did not want to confuse borrowers who already had FFEL loans.	39.5	41.7	21.1	22.2	10.5	11.1	23.7	25.0
Wanted to delay full commitment until the Department of Education has gained experience with the new program.	26.3	27.8	26.3	27.8	21.1	22.2	21.1	22.2
Wanted to learn how to implement the program with a small group before committing the entire institution.	47.4	50.0	15.8	16.7	10.5	11.1	21.1	22.2
Wanted to maintain relationships with lender(s) and/or guarantor(s).	47.4	50.0	13.2	13.9	23.7	25.0	10.5	11.1
Wanted to keep graduate/professional students in the FFEL Program.	5.3	5.9	2.6	2.9	2.6	2.9	78.9	88.2
Other (Specify):	15.8	75.0	5.3	25.0	0.0	0.0	0.0	0.0

IF OFFERING ONLY DIRECT LOANS, CHECK HERE AND ANSWER THE COLUMN BELOW

T%	**V%**	
34.5	35.7	Yes

What factors influenced your decision to switch 100 percent to the Direct Loan Program? Rate each item below regarding its influences or importance in the overall decision, using the following scale:	Rating							
	1 Very Important		2 Somewhat Important		3 Not at all Important		**NA Not Applicable**	
	T%	V%	T%	V%	T%	V%	**T%**	V%
Did not want to confuse borrowers by offering two loan programs.	59.1	65.0	18.2	20.0	13.6	15.0	0.0	0.0
Did not want the complexity of administering two programs simultaneously.	77.3	85.0	9.1	10.0	4.5	5.0	0.0	0.0
Did not want to continue to administer the FFEL Program.	45.5	50.0	36.4	40.0	4.5	5.0	4.5	5.0
Wanted to avoid uncertainty regarding the availability of loan funds under FFEL.	22.7	25.0	31.8	35.0	27.3	30.0	9.1	10.0
Other (Specify):	18.2	80.0	4.5	20.0	0.0	0.0	0.0	0.0

B3) How satisfied are you with the Department of Education's **responsiveness** to reported problems or difficulties during the implementation of the Direct Loan Program? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable,*** *please circle your level of satisfaction.)*

	1		**2**		**3**		**4**		**5**		**NA**		
	T%	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	
Very Satisfied	15.5	16.1	34.5	35.7	31.0	32.1	3.4	3.6	8.6	8.9	3.4	3.6	Very Dissatisfied

Section C—Administration of the Direct Loan Program

C1) How would you rate your overall level of satisfaction with each of the following activities involved in administering the Direct Loan Program? *(Circle only one rating for each activity. Circle NA for activities that you have not yet had experience with in the Direct Loan Program.)*

Activity	Very Satisfied		Somewhat Satisfied		Somewhat Dissatisfied		Very Dissatified		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Keeping up with regulations	45.2	46.2	46.1	47.0	5.1	5.2	1.2	1.2	0.3	0.3
Answering general questions about loans and financial aid	55.1	56.7	36.7	37.7	3.2	3.3	1.5	1.6	0.7	0.7
Counseling borrowers while in school	52.0	53.4	39.9	41.0	3.1	3.2	0.5	0.5	1.9	1.9
Processing origination records	51.9	52.9	33.6	34.3	8.4	8.5	2.4	2.4	1.9	1.9
Processing promissory notes	45.7	46.6	34.5	35.1	10.4	10.6	4.9	5.0	2.6	2.6
Requesting and receiving loan funds	58.0	59.4	26.6	27.3	4.8	4.9	2.0	2.1	6.1	6.3
Disbursing of loan funds (including preparing loan checks and getting student signatures)	52.7	53.8	31.4	32.1	4.3	4.4	1.4	1.4	8.2	8.4
Refunding excess loan funds to borrowers	43.3	44.3	35.0	35.8	6.7	6.8	1.5	1.6	11.3	11.5
Reconciliation/financial monitoring and reporting	13.1	13.4	38.4	39.3	27.0	27.6	13.7	14.0	5.6	5.8
Recordkeeping and reporting of student information (includes SSCRs, financial aid transcripts, and updates to the Direct Loan Servicing Center or NSLDS)	16.6	17.0	46.6	47.7	21.2	21.7	7.5	7.7	5.8	5.9
Helping students with loans after they have left school	25.9	26.6	49.0	50.2	8.0	8.2	2.4	2.4	12.3	12.6

C2) How would you characterize the level of work or staff effort needed to **administer** Direct Lending on a day-to-day basis? *(Check only one response.)*

T%	V%	
9.2	9.4	Very easy to administer
38.4	39.2	Relatively easy to administer, with a few areas that require a high level of effort
24.9	25.4	A moderate amount of effort is required overall
18.4	18.8	Relatively labor intensive to administer, with many areas that require a high level of effort
7.0	7.1	Very labor intensive to administer

C3) Listed below are resources needed for the delivery of financial aid that may have changed at your institution due to the implementation of the Direct Loan Program. Please indicate if **increases or decreases** have occurred or will occur during the 1996/97 academic year for each type of resource. This question refers **only** to changes that are a **direct result** of implementation of the Direct Loan Program. *(Circle one rating for each resource.)*

Resources	Level of Change									
	Significant Decrease		Small Decrease		No Change		Small Increase		Significant Increase	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Number of permanent or temporary staff positions related to financial aid	1.2	1.2	4.4	4.5	69.3	70.9	19.6	20.1	3.2	3.3
Number of staff positions in Accounting or Business Office	3.8	3.8	82.3	84.3	11.3	11.5	0.3	0.3	0.0	0.0
Number of staff used for technical support	0.3	0.3	1.0	1.0	64.7	66.0	26.8	27.4	5.1	5.2
Number of hours current staff work	1.9	1.9	6.8	7.0	45.9	47.0	29.0	29.7	14.0	14.3
Equipment/computers	0.5	0.5	0.5	0.5	26.8	27.5	36.3	37.3	33.3	34.2
Supplies (postage, copying, etc.)	0.9	0.9	4.3	4.4	38.4	39.5	38.9	40.0	14.8	15.3
Funds for training	0.7	0.7	1.9	1.9	54.6	55.7	36.3	37.0	4.6	4.7
Funds for staff travel	0.7	0.7	1.2	1.2	53.9	55.1	36.9	37.6	5.3	5.4
Development/modification of computer programs/procedures	0.3	0.3	0.7	0.7	21.5	22.0	41.6	42.5	33.8	34.5
Other (Specify):	1.0	7.9	10.1	77.6	0.2	1.3	1.7	13.2	0.0	0.0

C4) Did the number of short-term loans (i.e., bridge loans) issued by your institution increase, decrease, or remain about the same during the 1996/97 academic year?

T%	V%	
9.4	9.6	Increased
17.4	17.8	Decreased
26.8	27.4	Remained about the same
44.4	45.3	Not applicable (institution does not issue short-term loans)

C5) For each of the specific administrative functions listed in the table below, please indicate the level of change in workload (if any) resulting from implementation of the Direct Loan Program. *(Circle one rating for each administrative function.)*

	Level of Change in Workload									
	Significant Decrease		Small Decrease		No Change		Small Increase		Significant Increase	
Administrative Function	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
First, please indicate the overall level of change in workload at your institution due to implementation of Direct Loans.	5.5	5.6	14.2	14.5	18.6	19.0	39.4	40.2	20.3	20.7
Training Financial Aid staff	1.0	1.1	2.9	3.0	23.2	23.9	51.0	52.5	18.9	19.5
Counseling borrowers on Direct Loan Program	0.5	0.5	3.6	3.7	56.7	58.1	28.7	29.4	8.0	8.2
Processing loan applications/creating origination records	10.1	10.4	14.3	14.9	21.2	21.9	29.9	31.0	21.0	21.8
Verifying enrollment	3.2	3.4	6.3	6.5	63.8	66.2	16.9	17.5	6.1	6.4
Advising students on status of loans	8.2	8.5	14.0	14.5	46.8	48.3	17.9	18.5	9.9	10.2
Requesting and receiving loan funds by institution	15.7	16.3	11.1	11.5	32.4	33.7	26.5	27.5	10.4	10.8
Disbursing loan funds to students	18.9	19.6	14.0	14.5	35.7	36.9	17.7	18.3	10.4	10.8
Recordkeeping and reporting (includes tracking information on borrowers and their loans both during and after enrollment period, and communication about borrowers to other organizations)	5.1	5.3	11.8	12.2	29.0	30.1	32.8	34.0	17.7	18.4
Cash management (includes cancellations/refunds)	7.0	7.3	9.6	9.9	22.2	23.1	37.2	38.7	20.1	21.0
Reconciliation	1.9	2.0	4.1	4.3	14.3	14.9	37.7	39.3	37.7	39.3

C6) If you indicated an overall change in workload resulting from implementation of Direct Loans in Question 5, please specify whether you think the change is **temporary** (i.e., will occur only during the initial phase of the process) or **permanent** (i.e., will continue in the regular operation of the Direct Loan Program).

T%	V%	
18.4	20.9	Temporary
69.8	79.1	Permanent

C7) Please check the statements below that apply to your perception of staffing or workload changes related to your institution's implementation of the Direct Loan Program. *(Check all that apply.)*

T%	V%	
57.2	63.4	Staff have been shifted to work on different financial aid functions.
4.3	4.7	Staff have been freed to work on other activities outside of financial aid.
1.5	1.7	Staff have been released to other departments or released from the institution.
32.6	36.2	Staff are working extra hours to accommodate the added activities.
16.9	18.8	Extra staff have been hired at the institution to accommodate the added activities.

C8) Which of the following describes the current software configuration used by your institution to process Direct Loans? *(Check all that apply.)*

T%	V%	
69.8	71.6	EDExpress software
24.1	24.7	Commercial software
15.0	15.4	Software developed internally
14.7	15.1	Other

C9) How satisfied are you with the software configuration used by your institution to process Direct Loans as it relates to each of the following performance areas? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied****, please circle your level of satisfaction.)*

	Very Satisfied 1		2		3		4		Very Dissatisfied 5	
Performance Area	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**
Overall usefulness of software (i.e., the extent to which it can adequately perform the functions required)	24.4	25.6	33.8	35.4	24.4	25.6	9.4	9.8	3.4	3.6
Ease of integration and compatibility with your previously existing system	23.9	25.4	26.6	28.3	23.0	24.5	13.7	14.5	6.7	7.1
Processing efficiency (e.g., the ability to batch-process or process multiple types of loans)	28.5	29.9	30.4	31.9	22.0	23.1	9.4	9.9	4.9	5.2

C10) Please indicate whether you are currently participating in the Direct Loan Program as an option one, option two, or option three institution (as defined by the Department of Education). *(Check only one.)*

T%	V%	
11.4	11.9	Option 1/Partial Origination (formerly level two institution)
79.0	82.2	Option 2/Full Origination (formerly level one institution)
5.6	5.9	Option 3/Standard Origination (formerly level three institution)

Section D—Information and Support from the Department of Education (Direct Loan Institutions)

D1) Following is a list of Direct Loan Program information or support that you may have received from the Department of Education or its servicer during the 1996/97 academic year. For each item:

a) **Using a scale of 1-5, with 1 being very timely and 5 being not at all timely**, rate (by circling the appropriate number), the timeliness of the information/support for your needs and activities.

(Circle NA if you have not received the information/support from ED.)

Material/Training Provided by ED	Timeliness											
	1		2		3		4		5		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Information on Direct Loan Program rules and regulations	29.4	30.0	38.1	38.9	20.6	21.1	6.3	6.5	2.2	2.3	1.2	1.2
Telephone support for policy or administrative guidance	24.2	24.7	28.5	29.0	25.1	25.6	10.2	10.4	4.8	4.9	5.3	5.4
Direct Loan Users Guide	26.5	27.3	29.5	30.5	24.7	25.6	9.0	9.3	4.1	4.2	2.9	3.0
In-person assistance	16.4	16.8	16.7	17.2	15.5	16.0	5.6	5.8	5.5	5.6	37.5	38.6
Borrower counseling materials	34.8	35.7	28.5	29.2	17.2	17.7	9.0	9.3	6.0	6.1	1.9	1.9
Training materials for counselors	27.1	28.1	27.3	28.3	19.6	20.3	9.2	9.5	3.2	3.4	10.1	10.4
Entrance/exit counseling videos	33.8	34.9	22.7	23.4	16.9	17.4	4.8	4.9	4.6	4.8	14.2	14.6
Pre-printed promissory notes	48.0	49.0	20.0	20.4	9.0	9.2	2.4	2.4	2.0	2.1	16.4	16.8
Reconciliation guide	20.6	21.5	23.5	24.6	23.9	24.9	9.6	10.0	3.8	3.9	14.5	15.1
Consolidation booklet	22.5	23.4	22.9	23.7	19.8	20.5	6.0	6.2	5.1	5.3	20.1	20.9
Loan origination support	21.5	22.0	27.5	28.0	21.5	22.0	14.2	14.5	7.3	7.5	6.0	6.1
Loan reconciliation support	13.3	13.8	19.5	20.1	23.0	23.8	17.4	18.0	11.9	12.3	11.6	12.0
Training and technical support	21.7	22.2	25.6	26.2	27.5	28.1	12.1	12.4	3.8	3.8	7.2	7.3
Software for administration or reporting functions	17.1	17.5	21.0	21.6	24.1	24.7	8.0	8.2	3.4	3.5	23.7	24.4
Videoconferences	12.5	12.9	16.0	16.6	17.1	17.6	4.3	4.4	1.9	1.9	45.1	46.6

D1b) Using a scale of 1-5, with 1 being very useful and 5 being not at all useful, rate (by circling the appropriate number), the usefulness of the information/support in providing the instruction or service needed by your institution.

(Circle NA if you have not received the information/support from ED.)

Material Training Provided by ED	Usefulness											
	1		2		3		4		5		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Information on Direct Loan Program rules and regulations	38.1	39.2	37.7	38.8	15.4	15.8	3.2	3.3	1.2	1.2	1.5	1.6
Telephone support for policy or administrative guidance	33.8	34.7	28.0	28.8	17.7	18.2	8.9	9.1	3.2	3.3	5.6	5.8
Direct Loan Users Guide	34.0	35.0	27.6	28.5	23.2	23.9	5.6	5.8	3.1	3.2	3.6	3.7
In-person assistance	24.7	25.7	15.7	16.3	12.8	13.3	3.2	3.4	4.1	4.2	35.8	37.2
Borrower counseling materials	54.3	55.7	27.6	28.4	9.2	9.5	2.7	2.8	1.7	1.8	1.9	1.9
Training materials for counselors	36.0	37.3	26.3	27.3	18.1	18.8	3.8	3.9	2.0	2.1	10.2	10.6
Entrance/exit counseling videos	35.5	36.8	20.3	21.1	12.3	12.7	6.7	6.9	7.0	7.3	14.7	15.2
Pre-printed promissory notes	58.5	60.2	14.7	15.1	4.6	4.7	1.7	1.8	1.5	1.6	16.2	16.7
Reconciliation guide	22.2	23.1	22.7	23.7	24.1	25.1	8.0	8.4	3.9	4.1	15.0	15.7
Consolidation booklet	29.9	31.0	22.7	23.6	17.9	18.6	2.4	2.5	3.4	3.5	20.0	20.7
Loan origination support	29.4	30.3	26.5	27.3	17.6	18.2	12.1	12.5	5.1	5.3	6.1	6.3
Loan reconciliation support	21.5	22.4	19.5	20.3	17.9	18.7	15.5	16.2	10.2	10.7	11.3	11.7
Training and technical support	31.2	32.2	24.4	25.2	22.4	23.1	8.9	9.2	3.1	3.2	7.0	7.2
Software for administration or reporting functions	22.0	22.8	18.8	19.5	21.5	22.3	7.8	8.1	3.1	3.2	23.2	24.1
Videoconferences	11.6	12.1	14.8	15.5	19.3	20.1	3.4	3.6	2.4	2.5	44.4	46.3

D2) Does your institution have any type of communication or interaction with the Department of Education (or its servicer) **regarding loan repayment and/or consolidation**?

T%	V%	
53.4	55.1	Yes
43.5	44.9	No

(If you answered "no," skip to Question D7.)

If "Yes" in D2

D3) For each of the following **consolidation** activities, please indicate the frequency of occurrence at your institution. *(Circle the appropriate rating.)*

Consolidation Activities	Frequently		Sometimes		Seldom		Never	
	T%	V%	T%	V%	T%	V%	T%	V%
Refer borrowers to loan originator contractor for consolidation information and/or materials	43.8	45.1	38.0	39.1	9.9	10.2	5.4	5.6
Contact loan originator contractor directly to obtain forms/information	18.5	19.1	44.1	45.4	26.8	27.6	7.7	7.9
Intervene with loan originator contractor at the request of borrowers	14.4	14.8	39.0	40.1	34.2	35.2	9.6	9.9
Other interaction with loan originator contractor (Specify):	3.2	40.0	3.5	44.0	1.3	16.0	0.0	0.0

D4) For each of the following **loan repayment** activities, please indicate the frequency of occurrence at your institution. *(Circle the appropriate rating.)*

Loan Repayment Activities	Frequently		Sometimes		Seldom		Never	
	T%	V%	T%	V%	T%	V%	T%	V%
Refer borrowers to loan originator contractor for loan repayment information and/or materials	44.7	45.0	39.6	39.9	12.1	12.2	2.9	2.9
Contact loan originator contractor directly to obtain forms/information	23.6	23.8	42.5	42.8	26.5	26.7	6.7	6.8
Intervene with loan originator contractor at the request of borrowers	17.6	17.7	43.5	43.7	28.8	28.9	9.6	9.6
Other interaction with loan originator contractor (Specify):	2.6	40.0	3.5	55.0	0.3	5.0	0.0	0.0

D5) Overall, how satisfied are you with the communications that you have had with the Department of Education (or its servicer) concerning loan repayment and consolidation? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable**, please circle your level of satisfaction.)*

Type of Communication	Very Satisfied 1		2		3		4		Very Dissatisfied 5	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Loan repayment	27.2	27.7	34.8	35.5	28.1	28.7	4.2	4.2	1.0	1.0
In-school Direct Loan consolidation	16.9	17.7	30.7	32.1	29.4	30.8	7.0	7.4	3.8	4.0
Out-of-school Direct Loan consolidation	17.6	18.3	31.3	32.7	26.5	27.7	6.7	7.0	8.6	9.0

D6) In the table below, please rate your level of satisfaction with the timeliness and clarity of the Department of Education's loan **repayment** regulations. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable,*** *please rate your level of satisfaction with the guidelines provided for each of the following loan repayment options.)*

	Timeliness											
	1		2		3		4		5		NA	
Loan Repayment Options	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	**T%**	**V%**
Standard repayment plan	37.4	37.6	32.3	32.5	18.8	19.0	1.6	1.6	1.9	1.9	7.3	7.4
Income-contingent repayment plan	33.9	34.2	29.7	30.0	21.4	21.6	2.2	2.3	1.6	1.6	10.2	10.3
Extended repayment plan	34.5	34.7	30.7	30.9	19.5	19.6	2.2	2.3	1.3	1.3	11.2	11.3
Graduated repayment plan	33.2	33.4	32.3	32.5	18.5	18.6	2.9	2.9	1.3	1.3	11.2	11.3

	Clarity											
	1		2		3		4		5		NA	
Loan Repayment Options	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Standard repayment plan	40.9	41.3	29.7	30.0	18.5	18.7	2.2	2.3	1.9	1.9	5.8	5.8
Income-contingent repayment plan	32.6	32.9	27.5	27.7	24.9	25.2	3.5	3.5	1.9	1.9	8.6	8.7
Extended repayment plan	35.8	36.1	29.4	29.7	21.1	21.3	1.6	1.6	1.6	1.6	9.6	9.7
Graduated repayment plan	33.9	34.2	30.4	30.6	21.1	21.3	1.9	1.9	1.9	1.9	9.9	10.0

BEST COPY AVAILABLE

D7) In the table below, please rate your level of satisfaction with the timeliness and clarity of the Department of Education's **consolidation** guidelines. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable,*** *please rate your level of satisfaction with the guidelines issued for each of the following consolidation components.)*

Type of Consolidation	Timeliness											
	1		2		3		4		5		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
In-school Direct Loan consolidation	17.9	18.2	25.2	25.6	23.6	24.0	6.1	6.2	8.9	9.1	16.6	16.9
Out-of-school Direct Loan consolidation	18.5	18.8	26.8	27.3	24.9	25.3	6.4	6.5	8.9	9.1	12.8	13.0
In-school FFEL consolidation	12.1	12.4	18.2	18.6	16.3	16.7	3.2	3.3	2.2	2.3	45.7	46.7
Out-of-school FFEL consolidation	12.8	13.1	18.5	19.0	17.6	18.0	3.8	3.9	2.2	2.3	42.8	43.8

Type of Consolidation	Clarity											
	1		2		3		4		5		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
In-school Direct Loan consolidation	16.9	17.3	25.9	26.5	26.2	26.8	8.6	8.8	4.8	4.9	15.3	15.7
Out-of-school Direct Loan consolidation	17.3	17.7	26.5	27.2	27.5	28.2	9.6	9.8	4.8	4.9	11.8	12.1
In-school FFEL consolidation	11.2	11.6	16.9	17.5	18.8	19.5	3.5	3.6	2.6	2.6	43.5	45.0
Out-of-school FFEL consolidation	12.1	12.6	17.9	18.5	18.8	19.5	4.5	4.6	2.6	2.6	40.6	42.1

D8) Has your institution had any contact with the Direct Loan client account managers in the Department of Education's Regional Office for your area?

T%	V%	
77.8	79.7	Yes
19.8	20.3	No

(If you answered "no," skip to Section E.)

If "Yes" in D8

D9) How would you describe the level of interaction between your institution and the Direct Loan client account managers in the Regional Office? *(Check only one response.)*

T%	V%	
25.2	25.3	Extensive interaction
52.9	53.0	Some interaction
21.7	21.8	Very little interaction

D10) Were the contacts with the Direct Loan client account managers in the Regional Office initiated by your institution, the Regional Office, or both? *(Check only one response.)*

T%	V%	
21.3	21.3	Institution
7.5	7.5	Regional Office
71.1	71.2	Both the institution and the Regional Office

D11) Following is a list of possible reasons for contact with the Department of Education's Regional Office. For each item:

a) **Using a scale of 1-5, with 1 being very timely and 5 being not at all timely**, rate (by circling the appropriate number), the timeliness of the training/support you received in meeting your needs.

(Circle NA if you have not received the listed training/support from the Regional Office)

	Timeliness											
	1		2		3		4		5		NA	
Contact with the ED Regional Office	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Training received at the Regional Office (or at a designated facility)	30.9	31.1	26.3	26.4	16.0	16.1	3.7	3.7	0.4	0.4	22.1	22.2
Training/guidance delivered by account managers at your institution	21.3	21.5	16.2	16.4	11.2	11.3	3.3	3.3	0.4	0.4	46.5	47.0
Questions regarding Direct Loan policy	34.9	35.0	31.4	31.5	16.2	16.3	3.3	3.3	0.2	0.2	13.6	13.7
Entrance/exit counseling issues	18.4	18.8	13.4	13.6	9.2	9.4	2.2	2.2	0.2	0.2	54.8	55.8
Requests for ED-provided materials	27.2	27.7	24.8	25.2	10.7	10.9	3.3	3.3	1.3	1.3	30.9	31.5
Questions/issues regarding computer systems design or implementation	21.1	21.4	18.9	19.2	16.2	16.5	4.2	4.2	2.0	2.0	36.2	36.7
Questions/issues regarding loan origination	26.1	26.3	26.3	26.5	15.1	15.2	3.5	3.5	0.4	0.4	27.9	28.0
Questions/issues regarding disbursement and/or refunding of excess funds to borrowers	25.0	25.4	21.5	21.8	13.2	13.4	3.5	3.6	0.9	0.9	34.4	35.0
Computer-related reconciliation issues	19.5	19.7	21.5	21.7	18.9	19.1	9.4	9.5	3.5	3.5	26.1	26.4
Accounting-related reconciliation issues	16.4	16.6	21.9	22.2	17.3	17.5	6.1	6.2	3.3	3.3	33.8	34.1
Inquiries requesting appropriate sources of contact for specific questions relating to the loan process	33.1	33.3	24.6	24.7	14.9	15.0	5.0	5.1	1.3	1.3	20.6	20.7

D11b) **Using a scale of 1-5, with 1 being very useful and 5 being not at all useful**, rate (by circling the appropriate number), the usefulness of the training/support you received in meeting your needs.

(Circle NA if you have not recieved the listed training/support from the Regional Office)

	Usefulness											
	1		2		3		4		5		NA	
Contact with the ED Regional Office	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Training received at the Regional Office (or at a designated facility)	35.5	36.1	26.3	26.7	11.4	11.6	3.1	3.1	0.0	0.0	22.1	22.5
Training/guidance delivered by account managers at your institution	26.1	26.7	14.3	14.6	9.6	9.9	2.2	2.2	0.4	0.4	45.2	46.2
Questions regarding Direct Loan policy	41.2	41.8	27.9	28.2	13.2	13.3	2.9	2.9	0.7	0.7	12.9	13.1
Entrance/exit counseling issues	24.1	25.1	10.5	10.9	8.1	8.4	1.1	1.1	0.0	0.0	52.4	54.4
Requests for ED-provided materials	35.5	36.7	22.1	22.9	7.5	7.7	1.5	1.6	0.2	0.2	30.0	31.0
Questions/issues regarding computer systems design or implementation	23.9	24.4	17.1	17.5	12.3	12.6	5.9	6.1	3.3	3.4	35.3	36.1
Questions/issues regarding loan origination	30.9	31.3	20.6	20.8	14.9	15.1	4.4	4.4	0.9	0.9	27.2	27.5
Questions/issues regarding disbursement and/or refunding of excess funds to borrowers	28.3	29.1	19.3	19.8	11.6	11.9	3.5	3.6	1.3	1.4	33.3	34.2
Computer-related reconciliation issues	22.8	23.2	19.1	19.4	15.8	16.0	10.3	10.5	5.0	5.1	25.4	25.8
Accounting-related reconciliation issues	19.7	20.2	18.2	18.7	15.8	16.2	7.0	7.2	4.8	4.9	32.0	32.8
Inquiries requesting appropriate sources of contact for specific questions relating to the loan process	35.7	36.1	22.8	23.1	13.8	14.0	4.6	4.7	1.8	1.8	20.2	20.4

Section E—Overall Impressions of the Direct Loan Program

E1) Please review the statements about the Direct Loan Program listed below. Then in the appropriate column:

a) Indicate any statements that describe the most important attributes of the Direct Loan Program for your institution. Please check **up to three** benefits.

b) Indicate any statements that describe areas of the Direct Loan Program where your expectations were unmet. ***(Check all that apply.)***

Attribute of Direct Loan Program	Most Important Benefits		Unmet Expectations	
	T%	V%	T%	V%
Borrowers are served well through the Direct Loan Program.	71.3	76.0	8.4	9.7
The Direct Loan Program is simple to administer.	40.6	45.5	31.2	35.2
The Direct Loan Program is viable.	28.2	31.4	6.0	7.0
The availability of loan funds is predictable in the Direct Loan Program.	46.6	51.0	6.7	7.8
The Direct Loan Program is cost-effective to administer.	21.3	24.6	21.5	24.6
The flexibility of loan repayment options is beneficial to borrowers.	56.7	61.7	2.9	3.4

E2) Please rate your general satisfaction with the Direct Loan Program up to this point. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied,*** *circle your level of satisfaction.)*

	1		2		3		4		5		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	25.3	25.9	37.2	38.2	23.7	24.3	8.2	8.4	3.1	3.2	Very Dissatisfied

E3) Compared to the 1995/96 academic year, has your overall level of satisfaction this year with the Federal Student Loan process increased, decreased, or remained the same?

T%	V%	
28.8	29.5	Increased
31.1	31.8	Decreased
37.7	38.6	Remained the same

E4) What is the most important advice you would give another institution that was preparing to implement the Direct Loan Program? {OE1}

%	
14.9	Need computer person on staff/tech support available
9.8	Ensure you have necessary computer hardware/equipment & configuration
6.4	Plan ahead/start early
4.9	Get training for staff/attend workshops
4.6	Other
4.2	Do it
3.7	Need adequate staffing (general)
3.4	Get administrative support for computers/admin
3.4	Wait because of new servicer
3.2	Talk to other DL schools
2.9	School offices/administration needs to be willing to change & support program
2.7	Program benefits students/school
2.7	Prepare/train staff beforehand for system operations
2.7	Patience/flexibility needed
2.2	Anticipate time/money/resources for training & implementation
2.2	Expect problems/be diligent with Servicer
2.2	Think twice/don't do it
2.0	Use an implementation team
2.0	Familiarize yourself with program beforehand
2.0	Expect problems and changes to software
1.7	Program easy to run
1.7	Learn reconciliation process
1.7	Organization is the key to success with DL
1.5	Test program/systems
1.5	Can't answer/no comment
1.5	Coordinate implementation between all school offices
1.5	Takes time/resources to administer
1.2	Develop business process/procedures
1.2	Go 100% DL
1.0	Phase in slowly
1.0	Explore all options before going DL
1.0	Get all offices/staff involved
0.7	Be aware of LOC contracting situation (i.e., there will be a switch)
0.5	Use the Regional Office
0.5	Financial Aid Office will have greater workload

Questions E5 and E6 are only for institutions that are still participating in FFELP. If you are 100% Direct Loan, please skip to Question E7.

E5) Now that you are administering both programs, how satisfied are you with the **FFEL Program** as it currently is operating? ***(Using a scale of 1-5, with 1 being very satisfied and 5 being very dissatisfied,** please circle your level of satisfaction.)*

	1		2		3		4		5		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	24.4	26.4	33.5	36.2	24.4	26.4	8.0	8.6	2.3	2.5	Very Dissatisfied

BEST COPY AVAILABLE

E6) For the following areas of **FFEL Program** administration, please rate any changes in FFEL since the introduction of the Direct Loan Program, using the following scale:

1 = Improved
2 = The same, no changes
3 = Worsened
DK/NA = Don't Know/Not Applicable

FFEL Program Administration	Improved		Same		Worsened		DK/NA	
	T%	V%	T%	V%	T%	V%	T%	V%
Student access to loans	23.3	25.3	65.9	71.6	1.1	1.2	1.7	1.9
Ease of administration of FFEL	36.4	39.5	53.4	58.0	1.7	1.9	0.6	0.6
Service from banks/guarantee agencies	56.3	61.1	31.8	34.6	2.3	2.5	1.7	1.9
Service from loan servicers/collection agencies	40.9	44.4	42.6	46.3	2.8	3.1	5.7	6.2
Service from your third party or privately contracted servicers	15.9	18.4	30.1	34.9	0.6	0.7	39.8	46.1

E7) What specific recommendations would you give to the Department of Education on how to improve the administration of the Direct Loan Program? *(List up to two recommendations.)* {OE2}

%	
16.7	Other
7.5	Improve overall performance of Montgomery servicer (general)
7.2	Better LOC reps/More Staff
6.7	Improve customer service of Montgomery servicer
6.4	Improve reconciliation process
5.9	Improve ED Express/software quality, functions, or documentation
5.1	Expand training - local
4.4	Don't change the Servicer/stay with one
4.1	Test software updates thoroughly before release
4.1	Conduct testing with LOC first - ensure they can do the job
3.6	Provide better technical support
3.3	Don't change Servicer mid-year
3.1	Don't change Servicer for wrong reasons (i.e., cost)
3.1	Go back to Utica
2.6	Better anticipate problems that come with Servicer switch - be proactive
2.1	Increase availability of school reps
2.1	Return phone calls
1.8	Release new software/publications early
1.8	Stop changing software as frequently
1.8	Extend contract period of Servicer so a switch is not frequently necessary
1.5	Expand software training (specific)
1.3	Can't answer/no comment
1.3	Improve communication of regulations/changes
1.3	More timely fund availability
0.8	Change software to allow for correction of errors
0.5	Find another Servicer

Section F—Administration of the FFEL Program

F1) How would you rate your current level of satisfaction with each of the following activities involved in administering the Federal Family Education Loan Program? *(Circle only one rating for each activity. Circle NA for activities that you have not yet had experience with in the Federal Family Education Loan Program.)*

	Very Satisfied		Somewhat Satisfied		Somewhat Dissatisfied		Very Dissatisfied		NA	
Activity	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Keeping up with regulations	32.2	32.6	54.7	55.4	9.6	9.7	1.9	1.9	0.3	0.3
Answering general questions about loans and financial aid	56.4	57.3	39.1	39.6	2.4	2.4	0.5	0.5	0.2	0.2
Counseling borrowers while in school	48.8	49.5	44.0	44.6	4.3	4.3	0.6	0.6	0.9	1.0
Processing of loan applications	52.1	52.8	39.8	40.3	5.2	5.3	1.2	1.2	0.3	0.3
Requesting and receiving loan funds	56.2	57.1	35.7	36.4	4.3	4.4	0.8	0.8	1.3	1.3
Disbursing loan funds (including preparing loan checks and getting student signatures)	44.0	44.6	41.2	41.8	9.0	9.1	1.4	1.5	2.9	3.0
Refunding excess loan funds to students	35.5	36.0	43.3	44.0	10.6	10.8	2.0	2.0	7.0	7.2
Reconciliation/financial monitoring and reporting	30.6	31.0	51.1	51.8	9.5	9.6	1.0	1.0	6.4	6.5
Recordkeeping and reporting of student information (includes SSCRs, financial aid transcripts, and updates to NSLDS)	25.1	25.4	48.2	48.9	17.7	18.0	4.3	4.4	3.3	3.3
Helping students with loans after they have left school	25.3	25.6	50.8	51.5	13.5	13.7	2.2	2.2	6.9	7.0

F2) How would you characterize the level of work or staff effort needed to **administer** this program on a day-to-day basis? *(Check only one response. If you are using EFT and manual processing, please take both into account when answering.)*

T%	V%	
7.2	7.3	Very easy to administer
34.6	35.2	Relatively easy to administer, with a few areas that require a high level of effort
29.0	29.4	A moderate amount of effort is required overall
22.8	23.1	Relatively labor intensive to administer, with many areas that require a high level of effort
4.9	5.0	Very labor intensive to administer

F3) Listed below are resources needed for the delivery of financial aid that may have changed at your institution. Please indicate if **increases or decreases** have occurred or will occur during the 1996/97 academic year by circling one number for each type of resource. This question refers **only** to changes that are a direct result of changes in the FFEL Program and that occurred or are budgeted to occur in the 1996/97 Federal Award Year. *(Circle one rating for each resource.)*

	Level of Change									
	Significant Decrease		Small Decrease		No Change		Small Increase		Significant Increase	
Resource	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Number of permanent or temporary staff positions related to financial aid	1.7	1.7	4.3	4.3	78.5	79.5	12.9	13.0	1.3	1.3
Number of staff positions in Accounting or Business Office	0.6	0.6	3.2	3.2	84.7	86.2	8.8	8.9	1.0	1.0
Number of staff used for technical support	0.7	0.7	3.4	3.5	80.6	81.9	12.3	12.5	1.3	1.4
Number of hours current staff work	0.4	0.4	3.8	3.8	63.2	64.1	25.1	25.5	5.9	6.0
Equipment/computers	0.1	0.1	0.8	0.8	49.4	50.1	34.9	35.4	13.3	13.5
Supplies (postage, copying, etc.)	0.5	0.5	4.9	5.0	62.0	63.0	26.9	27.3	4.2	4.3
Funds for training	1.7	1.7	2.7	2.7	74.9	76.1	16.2	16.5	2.9	3.0
Funds for staff travel	2.3	2.3	3.5	3.6	72.8	74.0	17.3	17.5	2.5	2.5
Development/modification of computer programs/procedures	0.5	0.5	1.6	1.6	42.0	42.7	38.8	39.5	15.3	15.5
Other (Specify):	0.2	16.0	0.1	8.0	0.4	28.0	0.7	48.0	0.0	0.0

F4) Did the number of short-term loans (i.e., bridge loans) issued by your institution increase, decrease, or remain about the same during the 1996/97 academic year?

T%	V%	
10.3	10.5	Increased
5.4	5.5	Decreased
36.4	37.1	Remained about the same
46.1	46.9	Not applicable (institution does not issue short-term loans)

F5) How many lenders do you deal with on a regular basis in the FFEL Program? *(Check only one response.)*

T%	V%	
15.3	15.5	1-2 lenders
32.3	32.7	3-5 lenders
28.8	29.2	6-10 lenders
12.3	12.4	11-20 lenders
10.0	10.2	More than 20 lenders

F6) How many guarantee agencies do you deal with on a regular basis in the FFEL Program? *(Check only one response.)*

T%	V%	
37.5	38.1	1 guarantee agency
43.5	44.1	2-3 guarantee agencies
11.0	11.2	4-5 guarantee agencies
6.5	6.6	More than 5 guarantee agencies

F7) Does your institution use electronic funds transfer (EFT) to administer the FFEL Program?

T%	V%	
47.1	47.7	Yes
51.6	52.3	No

(If you answered "no," skip to Section G.)

If "Yes" in F7

F8) What percentage of your FFEL Program loans are processed through EFT?

____84.3____%

Section G—Information and Support from the Department of Education, Lenders, and Guarantee Agencies (FFEL Institutions)

G1) Following is a list of FFEL Program information or support that you may have received from the Department of Education, your primary lender, or your primary guarantor during the 1996/97 academic year. For each item and each source of information or support:

a) **Using a scale of 1-5, with 1 being very timely and 5 being not at all timely**, rate (by circling the appropriate number) the timeliness of the information/support for your needs and activities.

	Timeliness											
	1		2		3		4		5		NA	
Materials/Training Provided by ED	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Information on FFEL Program rules and regulations	22.1	22.5	33.9	34.4	29.3	29.8	9.5	9.7	2.2	2.3	1.3	1.3
Telephone support for policy or administrative guidance	16.7	17.0	21.5	21.9	24.4	24.8	11.4	11.6	7.9	8.0	16.3	16.6
Borrower counseling materials	20.9	21.3	22.0	22.4	21.3	21.8	7.8	8.0	4.8	4.9	21.1	21.6
Training sessions	19.1	19.5	29.0	29.5	27.0	27.5	10.0	10.2	3.2	3.2	9.8	10.0
Software for administration or reporting functions	11.7	11.9	18.7	19.1	21.0	21.4	8.0	8.2	5.5	5.6	33.1	33.8
Materials/Training Provided by Primary Lender (or Servicer)												
Information on FFEL Program rules and regulations	32.9	33.5	30.6	31.2	17.2	17.5	4.2	4.2	1.4	1.4	11.9	12.1
Telephone support for policy or administrative guidance	41.0	41.7	27.4	27.9	13.3	13.5	4.5	4.6	1.9	2.0	10.2	10.3
Borrower counseling materials	45.8	46.6	26.6	27.1	12.4	12.6	3.1	3.1	1.6	1.6	8.7	8.9
Training sessions	24.7	25.2	23.6	24.0	16.5	16.8	4.4	4.5	1.3	1.3	27.6	28.2
Software for administration or reporting functions	20.6	21.1	17.6	18.0	12.8	13.0	3.8	3.9	1.5	1.5	41.6	42.5
Materials/Training Provided by Primary Guarantor												
Information on FFEL Program rules and regulations	45.8	46.8	31.9	32.7	13.0	13.3	3.3	3.4	1.3	1.4	2.4	2.4
Telephone support for policy or administrative guidance	49.8	50.9	27.2	27.8	11.3	11.6	3.6	3.7	2.0	2.0	3.9	4.0
Borrower counseling materials	42.4	43.4	28.6	29.3	13.9	14.3	3.3	3.4	1.6	1.6	7.9	8.1
Training sessions	37.8	38.7	29.7	30.5	16.2	16.6	3.9	4.0	1.6	1.6	8.4	8.6
Software for administration or reporting functions	29.2	29.9	21.3	21.8	12.4	12.7	3.6	3.7	1.8	1.9	29.2	30.0

G1b) Using a scale of 1-5, with 1 being very useful and 5 being not at all useful, rate (by circling the appropriate number) the usefulness of the information/support. By usefulness, we mean effectiveness in providing the instructions or services needed by your institution.

Materials/Training Provided by ED	Usefulness											
	1		2		3		4		5		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Information on FFEL Program rules and regulations	32.3	33.1	33.6	34.5	23.1	23.7	5.7	5.8	1.5	1.5	1.4	1.4
Telephone support for policy or administrative guidance	23.0	23.7	23.8	24.4	20.8	21.3	7.9	8.1	6.0	6.2	15.8	16.2
Borrower counseling materials	25.1	25.9	20.1	20.8	19.5	20.1	6.9	7.1	4.7	4.9	20.6	21.2
Training sessions	26.9	27.6	27.2	27.9	23.5	24.1	7.2	7.4	2.7	2.8	10.0	10.3
Software for administration or reporting functions	15.9	16.4	16.3	16.8	19.4	20.0	7.4	7.7	5.5	5.7	32.5	33.5
Materials/Training Provided by Primary Lender (or Servicer)												
Information on FFEL Program rules and regulations	37.1	38.1	30.4	31.1	13.5	13.8	3.5	3.6	1.1	1.1	11.9	12.2
Telephone support for policy or administrative guidance	43.0	44.1	27.5	28.2	11.7	12.0	3.9	4.0	1.6	1.6	9.9	10.2
Borrower counseling materials	48.1	49.3	25.1	25.8	11.0	11.3	3.0	3.1	1.7	1.8	8.5	8.8
Training sessions	28.2	29.0	22.5	23.1	13.9	14.3	3.5	3.6	1.6	1.6	27.6	28.4
Software for administration or reporting functions	23.8	24.5	16.6	17.1	10.5	10.9	3.3	3.4	1.7	1.7	41.2	42.4
Materials/Training Provided by Primary Guarantor (or Servicer)												
Information on FFEL Program rules and regulations	49.6	51.1	29.3	30.2	11.9	12.3	2.9	3.0	0.9	0.9	2.4	2.5
Telephone support for policy or administrative guidance	51.9	53.5	26.0	26.8	10.9	11.3	3.1	3.1	1.4	1.4	3.7	3.8
Borrower counseling materials	45.4	46.8	26.2	27.1	13.2	13.6	3.1	3.2	1.2	1.2	7.8	8.1
Training sessions	41.3	42.6	27.3	28.2	14.6	15.1	3.8	4.0	1.3	1.4	8.5	8.8
Software for administration or reporting functions	33.1	34.3	18.4	19.1	10.9	11.3	3.6	3.7	1.6	1.7	28.9	29.9

BEST COPY AVAILABLE

G2) What percentage of your loan volume is handled by your **primary** lender?

____58.4____%

G3) What percentage of your loan volume is handled by your **primary** guarantee agency?

____86.2____%

G4) Does your institution have any type of communication or interaction with your FFEL servicer(s) **regarding loan repayment and/or consolidation**?

T%	V%	
57.2	58.3	Yes
40.8	41.7	No

(If you answered "no," skip to Section H.)

124

If "Yes" in G4

G5) For each of the following **consolidation activities**, please indicate the frequency of occurrence at your institution. *(Circle the appropriate rating.)*

	Frequently		Sometimes		Seldom		Never	
	1		2		3		4	
Consolidation Activities	T%	V%	T%	V%	T%	V%	T%	V%
Refer borrowers to servicer(s) for Information and/or materials	30.9	33.2	44.7	48.2	14.6	15.8	2.6	2.8
Contact servicer(s) directly to obtain forms/information	20.9	22.6	40.2	43.4	25.5	27.5	6.0	6.5
Intervene with servicer(s) at the request of borrowers	15.7	16.9	38.8	41.9	31.3	33.8	6.9	7.5
Other interaction with servicer(s) (Specify):	2.3	38.7	2.3	38.7	1.2	21.0	0.0	0.0

G6) For each of the following **loan repayment activities,** please indicate the frequency of occurrence at your institution. *(Circle the appropriate rating.)*

	Frequently		Sometimes		Seldom		Never	
	1		2		3		4	
Loan Repayment Activities	T%	V%	T%	V%	T%	V%	T%	V%
Refer borrowers to service(s) for information and/or materials	48.0	49.9	39.8	41.3	7.6	7.9	0.9	1.0
Contact servicer(s) directly to obtain forms/information	34.2	35.5	43.8	45.5	15.8	16.4	2.5	2.6
Intervene with servicer(s) at the request of borrowers	24.8	25.7	43.9	45.6	24.3	25.2	3.4	3.5
Other interaction with servicer(s) (Specify):	3.3	50.0	2.7	41.4	0.6	8.6	0.0	0.0

G7) **Overall,** how satisfied are you with the communications that you have had with your FFEL servicer concerning loan repayment and consolidation? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable**, please circle your level of satisfaction .)*

	Very Satisfied 1		2		3		4		Very Dissatisfied 5	
Type of Communication	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Loan repayment	48.1	50.1	43.5	45.3	13.9	14.5	1.3	1.3	0.5	0.5
In-school FFEL consolidation	30.6	33.9	35.2	39.0	22.0	24.3	1.5	1.6	0.7	0.8
Out-of-school FFEL consolidation	33.4	36.9	36.4	40.2	22.9	25.3	1.6	1.7	1.0	1.2

Section H—Overall Impressions of the Federal Family Education Loan Program

H1) Please review the statements about the FFEL Program listed below. Then in the appropriate column:

a) Indicate any statements that describe the most important attributes of the FFEL Program for your institution. Please check **up to three** benefits.

b) Indicate any statements that describe areas of the FFEL Program where your expectations were unmet. ***(Check all that apply.)***

Attribute of FFEL Program	Most Important Benefits		Unmet Expectations	
	T%	V%	T%	V%
Borrowers are served well through the FFEL Program.	74.6	77.3	6.0	6.3
The FFEL Program is simple to administer.	38.5	39.9	20.4	21.1
The FFEL Program is viable.	39.3	40.7	2.2	2.3
The availability of loan funds is predictable in the FFEL Program.	55.1	57.1	3.3	3.5
The FFEL Program is cost-effective to administer.	29.4	30.4	12.2	12.6
The flexibility of loan repayment options is beneficial to borrowers.	35.4	36.7	10.7	11.1

H2) Please rate your general satisfaction with the Federal Family Education Loan Program. (**Using a scale of 1 to 5, *with 1 being very satisfied and 5 being very dissatisfied,*** please circle your level of satisfaction.)

	1		2		3		4		5		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	35.0	36.1	44.3	45.6	14.2	14.6	2.8	2.9	0.8	0.9	Very Dissatisfied

H3) Compared to the 1995/96 academic year, has your overall level of satisfaction with the Federal student loan process increased, decreased, or remained the same?

T%	V%	
35.1	36.2	Increased
3.8	3.9	Decreased
58.1	59.9	Remained the same

H4) Which of the following statements describes your status or plans for participation in the Direct Loan Program? *(Check only one response.)*

T%	V%	
6.0	7.6	Currently participating in the Direct Loan Program
9.4	9.8	Accepted into Direct Loan Program, but did not participate
1.0	1.0	Applied for Year 4 of the Direct Loan Program; application accepted or pending
1.3	1.4	Will apply for Year 5 of the Direct Loan Program
0.4	0.5	Application for Direct Loan Program rejected
76.7	79.7	Not planning to apply for Direct Loan Program

H5) What specific recommendations would you give to the Department of Education or loan servicers on how to improve the administration of the FFEL Program? *(List up to two recommendations.)* {OE3}

%	
14.4	Other
6.2	Simplify regulations
3.9	None
3.5	Need clear/regular communication to students
3.5	Reduce regulations
3.4	Revise application forms/Use FAFSA
3.0	Eliminate 3-day rule
2.9	Everything good
2.9	Regulations should be same for FFEL as DL
2.7	Change EFT procedures
2.7	ED regional staff and servicer customer service
2.7	Aid entrance/exit counseling
2.5	Change loan repayment options/procedures
2.5	Provide better/more timely materials
2.5	Improve training program
2.4	Don't penalize schools for student default
2.4	Increase debt limit
2.3	Provide regulatory relief to schools with low default
2.3	Equal/improved support for FFEL as DL
2.3	Eliminate 30-day rule
2.1	Change loan proration procedures
2.1	Improve software/On-line service
1.9	Eliminate multiple disbursement for students >12 mos.
1.8	Improve SSCR reporting
1.7	Lower debt limit
1.7	Master prom note
1.6	Schools should be able to select lender
1.5	Give school control to deny loans
1.4	Change/eliminate fees
1.4	Simplify lender/balance info to borrowers
1.3	Communicate defaults better
1.3	Improve communication (general)
1.2	Common line processing
1.2	Reduce paperwork
1.2	Improve use of NSLDS
1.1	Timely Disbursements
1.0	Control buying and selling
1.0	FFEL/DL consolidation
0.9	Eliminate sub and unsub categories
0.8	Require credit checks
0.5	Administrative Cost Allowance
0.5	No pressure to leave FFEL
0.3	Provide incentives to students

Section I—Institution No Longer Participates in Direct Loan Program or No Direct Loans Have Been Originated

I1) When did your institution originally begin participating in the Direct Loan Program?

T%	V%	
13.2	13.2	Academic year 1994/95
64.7	64.7	Academic year 1995/96
22.1	22.1	Academic year 1996/97

I2) When did your institution stop participating in the Direct Loan Program?

T%	V%	
5.3	5.3	Academic year 1994/95
16.0	16.0	Academic year 1995/96
13.3	13.3	Academic year 1996/97
65.3	65.3	Still participating—institution currently participates in Direct Lending; however, no loans have been originated

(If you answered "still participating," skip to Section K.)

If you stopped participating in Direct Loan Program

I3) Please indicate (in the space below) why your institution is no longer participating in the Direct Loan Program. {0E4}

%	
25.0	Signed up but never started
16.7	Too Cumbersome/Complex
16.7	Year 4 School
16.7	Prom note problems
8.3	School could not handle workload
8.3	Electronic process problems
8.3	Left because of problems with Servicer

Section J—Institution Does Not Currently Offer Federal Student Loans or Indicated "Zero" Loan Volume [2]

J1) When did your institution last originate Federal student loans?

☐{1} Academic year 1995/96

☐{2} Academic year: ______ {J1a}

☐{3} Institution has never participated in the Federal Student Loan Program. *(If you answered "never participated," skip to the end.)*

If you stopped originating Federal student loans

J2) During the last year in which your institution originated Federal student loans, in which program did you participate?

☐{1} Direct Loan

☐{2} FFEL

☐{3} Both

---

[2] Institutions answering section J were deemed out-of-scope; therefore, their responses are suppressed.

Section K—Survey Issues[3]

K1) Do you have any suggestions or comments on this survey? {OE5}

K2) Do you have suggestions on ways to improve future surveys or reduce their burden to you? {OE6}

THANK YOU VERY MUCH FOR TAKING THE TIME TO FILL OUT THIS QUESTIONNAIRE.

---

[3] Open-ended responses in Section K were not assigned verbatim codes.

Weighted Questionnaire

Identifying Information

CONFIDENTIALITY

Identities of institutions and names of individuals will be kept strictly confidential by Macro International Inc. Identifying information will be used for followup purposes only. All information obtained from this survey will be presented to the Department of Education in aggregated form only.

In the spaces provided below, please enter the name, title, e-mail address, and telephone number of the person completing this form, and the date on which the questionnaire was completed.

Name:
Title:
Date:
E-mail Address:
Telephone Number:

If your address is different from the label on the front cover, please correct it in the space below.

BEST COPY AVAILABLE

School Identification

1) Which of the following describes your institution in terms of participation in the Direct Loan and Federal Family Education Loan Programs during the 1996/1997 academic year? ***(Please check one response only, and complete the sections of the questionnaire indicated by the arrow.)***

%			
70.1	Institution offers FFEL loans only. School has **never** participated in the Direct Loan Program.	------------->	Please complete Sections A, F, G, H, and K.
0.8	Institution currently offers FFEL loans only. School participated in the Direct Loan Program in 1994/1995 or 1995/1996, but no longer participates in Direct Lending.	------------->	Please complete Sections F, G, H, I, and K.
3.2	Institution began originating loans in the Direct Loan Program in academic year 1994/1995. (Year 1 School)	------------->	Please complete Sections A, C, D, E, and K.
	Institution also originates FFEL loans.	------------->	*Please also complete Sections F, G, and H.*
17.9	Institution began originating loans in the Direct Loan Program in academic year 1995/1996. (Year 2 School)	------------->	Please complete Sections A, C, D, E, and K.
	Institution also originates FFEL loans.	------------->	*Please also complete Sections F, G, and H.*
3.8	Institution began originating loans in the Direct Loan Program in academic year 1996/1997. (Year 3 School)	------------->	Please complete Sections A, B, C, D, E, and K.
	Institution also originates FFEL loans.	------------->	*Please also complete Sections F, G, and H.*
4.0	Institution has been selected for participation in the Direct Loan Program; however, no Direct Loans have been originated.	------------->	Please complete Section I.
	Institution also originates FFEL loans.	------------->	*Please also complete Sections F, G, and H.*
0.0	Institution does not currently participate in either the Direct Loan Program or the Federal Family Education Loan Program.	------------->	Please complete Section J only.
0.0	School closed.	------------->	Please complete Section J only.

Section A—Background Information

A1) Which of the following best characterizes the current structure of the Financial Aid Office(s) at your institution as it relates to processing loans? *(Check only one response.)*

T%	V%	
73.6	73.9	The institution has a single campus, branch, or school; one office administers financial aid for the entire institution.
9.5	9.6	Each campus, branch, or school within the institution is served by a separate Financial Aid Office.
15.9	16.0	Multiple campuses, branches, or schools within the institution are served by a single Financial Aid Office.
0.6	0.6	Other (Specify):

A2) Please indicate the type of computer system currently used by your institution to administer student financial aid. *(Check only one response.)*

Type of System Used

T%	V%	
5.7	6.0	Mainframe system only
31.3	33.0	Mainframe to personal computer (PC) with interface
16.1	17.0	Independent mainframe and personal computers (PCS)
38.3	40.4	Personal computers (PCS) only
2.5	2.7	No computer system used; all manual processing
0.9	1.0	Other (Specify):

A3) What was your total dollar Stafford (subsidized and unsubsidized) and PLUS loan volume for the **1996/97** Federal Award Year?[1]

(Record separately for each of the applicable loan programs, and combined. Circle NA for "FFEL" or "Direct Loan," if the loan program was not offered at your institution during the 1995/96 academic year.)

{A31}	FFEL	$________________	NA
{A32}	Direct Loan	$________________	NA
{A33}	Total	$________________	NA

If you entered "zero" for your total dollar loan volume and you do not expect a change in loan volume for the 1996/97 Federal Award Year, please skip to Section J of the questionnaire.

A4) Do you expect a change in total loan volume for the 1996/97 Federal Award Year?

T%	V%	
32.1	32.6	Yes
66.5	67.4	No

If "Yes" in A4

A5) If you expect a significant change in total loan volume for the 1996/97 Federal Award Year, please indicate the expected level of change below.

Percentage increase__________ % **or** Percentage decrease__________ %

---

[1] Since the timing of our survey may have prevented institutions from providing accurate estimates of their total loan volume, the means for these questions, A3 and A5, are suppressed.

Section B—Initial Implementation of the Direct Loan Program (For Year 3 Direct Loan Institutions)

B1) The following items describe various activities and processes necessary for the implementation and startup of the Direct Loan Program. This question refers to the **startup activities only**; it does not cover ongoing administration. This may be a question for which you want to consult other staff (such as the Business or Bursar's Office) involved in setting up the processes. Please rate the ease of setting up these processes at your institution using the following scale. *(Circle one rating for each activity.)*

1 = Easy to set up process at my institution
2 = Moderate level of effort required to set up process
3 = Difficult to set up process at my institution
NA = Not applicable; did not implement this process or process was implemented by a third party.

	Ease of Implementation							
	Easy to set up process		Moderate level of effort required		Difficult to set up process		Not applicable	
Activities and Processes	T%	V%	T%	V%	T%	V%	T%	V%
Installation of EDExpress into your institution's own computer system	22.5	22.8	38.3	38.9	8.1	8.3	29.7	30.1
Development and conduct of internal staff training on the Direct Loan Program	15.3	15.5	55.2	55.9	7.7	7.8	20.5	20.7
Development of procedures/materials to counsel borrowers on Direct Loans	49.6	51.9	38.8	40.6	0.7	0.8	6.4	6.7
Development of institutional procedures for processing loan applications and ensuring loan origination	17.6	17.9	50.5	51.2	14.6	14.8	16.0	16.2
Development of promissory note review and transmittal procedures	22.7	23.0	45.0	45.6	8.5	8.6	22.5	22.8
Development of loan disbursement procedures (e.g., crediting student accounts)	41.4	42.0	39.3	39.8	5.1	5.2	12.8	13.0
Development of internal recordkeeping and procedures for reporting to Direct Loan System (includes tracking information on borrowers and their loans both during and after enrollment period, and communication about borrowers to ED and its contractors)	8.4	8.5	55.3	56.0	11.2	11.4	23.8	24.1
Development of institutional cash management procedures (includes estimating capital needs, tracking receipt of funds, and reporting cancellations or refunds)	15.1	15.3	53.8	54.5	6.0	6.1	23.8	24.1
Development of reconciliation procedures at your institution	6.7	6.8	55.1	56.4	15.4	15.7	20.6	21.1

B2) In the space below, check whether you are offering both Direct Loans and FFEL in 1996/97, or offering only Direct Loans. Then rate the items corresponding to that column *only*, as indicated by the arrow.

IF OFFERING BOTH DIRECT LOANS AND FFEL, CHECK HERE AND ANSWER THE COLUMN BELOW

T%	V%	
64.5	65.4	Yes

What factors influenced your decision to phase in the Direct Loan Program? Rate each item below regarding its influences or importance in the overall decision, using the following scale:	Rating							
	1 Very Important		2 Somewhat Important		3 Not at all Important		NA Not Applicable	
	T%	V%	T%	V%	T%	V%	T%	V%
Did not want to confuse borrowers who already had FFEL loans.	51.8	52.9	21.0	21.5	11.9	12.2	13.2	13.5
Wanted to delay full commitment until the Department of Education has gained experience with the new program.	26.2	26.8	27.0	27.5	28.7	29.3	16.1	16.4
Wanted to learn how to implement the program with a small group before committing the entire institution.	44.6	45.5	25.5	26.1	11.8	12.0	16.1	16.4
Wanted to maintain relationships with lender(s) and/or guarantor(s).	61.8	63.0	10.3	10.5	21.9	22.3	4.0	4.1
Wanted to keep graduate/professional students in the FFEL Program.	6.0	6.5	1.3	1.4	1.0	1.1	83.8	91.1
Other (Specify):	10.2	63.7	5.8	36.3	0.0	0.0	0.0	0.0

IF OFFERING ONLY DIRECT LOANS, CHECK HERE AND ANSWER THE COLUMN BELOW

T%	V%	
34.2	34.6	Yes

What factors influenced your decision to switch 100 percent to the Direct Loan Program? Rate each item below regarding its influences or importance in the overall decision, using the following scale:	Rating							
	1 Very Important		2 Somewhat Important		3 Not at all Important		NA Not Applicable	
	T%	V%	T%	V%	T%	V%	T%	V%
Did not want to confuse borrowers by offering two loan programs.	51.2	53.2	22.2	23.0	23.0	23.8	0.0	0.0
Did not want the complexity of administering two programs simultaneously.	76.0	78.9	11.3	11.8	9.0	9.4	0.0	0.0
Did not want to continue to administer the FFEL Program.	47.8	49.6	37.4	38.8	2.1	2.2	9.0	9.4
Wanted to avoid uncertainty regarding the availability of loan funds under FFEL.	38.2	39.7	37.5	38.9	13.9	14.4	6.8	7.0
Other (Specify):	18.1	90.9	1.8	9.1	0.0	0.0	0.0	0.0

B3) How satisfied are you with the Department of Education's **responsiveness** to reported problems or difficulties during the implementation of the Direct Loan Program? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable,*** *please circle your level of satisfaction.)*

	1		2		3		4		5		NA		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	19.4	19.7	32.4	32.8	32.9	33.3	4.2	4.3	3.4	3.4	6.4	6.5	Very Dissatisfied

BEST COPY AVAILABLE

Section C—Administration of the Direct Loan Program

C1) How would you rate your overall level of satisfaction with each of the following activities involved in administering the Direct Loan Program? *(Circle only one rating for each activity. Circle NA for activities that you have not yet had experience with in the Direct Loan Program.)*

Activity	Very Satisfied		Somewhat Satisfied		Somewhat Dissatisfied		Very Dissatified		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Keeping up with regulations	44.2	45.5	45.9	47.2	5.5	5.7	1.0	1.1	0.6	0.6
Answering general questions about loans and financial aid	54.2	56.6	35.0	36.5	4.6	4.8	1.1	1.1	0.9	0.9
Counseling borrowers while in school	50.6	52.8	39.3	41.1	3.3	3.5	0.3	0.3	2.2	2.3
Processing origination records	49.6	51.0	32.8	33.7	9.6	9.9	2.2	2.2	3.1	3.2
Processing promissory notes	43.4	44.6	33.3	34.2	12.5	12.9	4.3	4.4	3.8	3.9
Requesting and receiving loan funds	52.5	54.4	28.9	30.0	6.0	6.3	2.5	2.6	6.6	6.8
Disbursing of loan funds (including preparing loan checks and getting student signatures)	50.0	51.4	33.1	34.0	4.5	4.6	1.6	1.6	8.1	8.3
Refunding excess loan funds to borrowers	41.2	42.4	35.0	36.0	6.2	6.4	1.7	1.7	13.0	13.4
Reconciliation/financial monitoring and reporting	14.9	15.3	39.4	40.6	23.7	24.4	12.0	12.4	7.0	7.2
Recordkeeping and reporting of student information (includes SSCRs, financial aid transcripts, and updates to the Direct Loan Servicing Center or NSLDS)	19.4	20.0	45.0	46.4	20.0	20.7	6.4	6.7	6.0	6.2
Helping students with loans after they have left school	27.2	27.9	47.4	48.7	6.6	6.8	2.4	2.4	13.8	14.2

C2) How would you characterize the level of work or staff effort needed to **administer** Direct Lending on a day-to-day basis? *(Check only one response.)*

T%	V%	
10.5	10.8	Very easy to administer
35.8	36.9	Relatively easy to administer, with a few areas that require a high level of effort
26.6	27.4	A moderate amount of effort is required overall
17.7	18.2	Relatively labor intensive to administer, with many areas that require a high level of
6.5	6.7	Very labor intensive to administer

C3) Listed below are resources needed for the delivery of financial aid that may have changed at your institution due to the implementation of the Direct Loan Program. Please indicate if **increases or decreases** have occurred or will occur during the 1996/97 academic year for each type of resource. This question refers **only** to changes that are a **direct result** of implementation of the Direct Loan Program. *(Circle one rating for each resource.)*

	Level of Change									
	Significant Decrease		Small Decrease		No Change		Small Increase		Significant Increase	
Resources	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Number of permanent or temporary staff positions related to financial aid	0.9	0.9	3.6	3.7	71.2	73.5	18.0	18.6	3.2	3.3
Number of staff positions in Accounting or Business Office	2.2	2.2	83.9	86.7	10.1	10.5	0.6	0.6	0.0	0.0
Number of staff used for technical support	0.6	0.6	1.1	1.2	66.7	68.8	23.2	23.9	5.4	5.5
Number of hours current staff work	1.5	1.5	5.0	5.2	47.1	48.6	30.9	31.9	12.3	12.7
Equipment/computers	0.9	0.9	0.3	0.3	28.3	29.4	35.8	37.1	31.1	32.2
Supplies (postage, copying, etc.)	0.8	0.9	4.6	4.7	39.8	41.3	37.9	39.3	13.4	13.8
Funds for training	0.6	0.6	2.1	2.1	52.2	53.7	36.9	37.9	5.5	5.7
Funds for staff travel	0.6	0.6	1.3	1.3	54.1	55.7	36.4	37.5	4.7	4.8
Development/modification of computer programs/procedures	0.8	0.8	0.6	0.6	25.1	25.8	41.6	42.8	29.2	30.0
Other (Specify):	0.8	6.1	9.3	73.4	0.3	2.1	2.3	18.4	0.0	0.0

C4) Did the number of short-term loans (i.e., bridge loans) issued by your institution increase, decrease, or remain about the same during the 1996/97 academic year?

T%	V%	
8.8	9.1	Increased
11.2	11.5	Decreased
26.7	27.4	Remained about the same
50.5	51.9	Not applicable (institution does not issue short-term loans)

C5) For each of the specific administrative functions listed in the table below, please indicate the level of change in workload (if any) resulting from implementation of the Direct Loan Program. *(Circle one rating for each administrative function.)*

Administrative Function	Level of Change in Workload									
	Significant Decrease		Small Decrease		No Change		Small Increase		Significant Increase	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
First, please indicate the overall level of change in workload at your institution due to implementation of Direct Loans.	3.8	3.9	12.0	12.3	20.3	20.8	42.5	43.7	18.8	19.3
Training Financial Aid staff	0.7	0.8	1.8	1.9	23.7	24.7	53.8	56.1	15.8	16.5
Counseling borrowers on Direct Loan Program	0.3	0.3	2.9	3.0	59.1	61.2	27.6	28.7	6.6	6.8
Processing loan applications/creating origination records	7.0	7.5	11.9	12.7	24.0	25.6	30.6	32.7	20.1	21.5
Verifying enrollment	1.8	1.9	4.6	4.8	65.5	68.6	17.6	18.4	6.0	6.3
Advising students on status of loans	5.4	5.7	9.8	10.2	54.5	56.7	17.9	18.7	8.4	8.8
Requesting and receiving loan funds by institution	11.2	11.8	9.5	10.0	38.0	40.0	27.6	29.1	8.6	9.1
Disbursing loan funds to students	13.7	14.2	12.4	12.9	42.6	44.3	17.4	18.1	10.0	10.4
Recordkeeping and reporting (includes tracking information on borrowers and their loans both during and after enrollment period, and communication about borrowers to other organizations)	3.6	3.8	9.8	10.3	31.9	33.5	31.6	33.2	18.4	19.3
Cash management (includes cancellations/refunds)	4.6	4.9	7.4	7.8	25.1	26.5	36.4	38.4	21.3	22.4
Reconciliation	2.0	2.2	3.7	3.9	17.9	18.9	37.7	39.9	33.0	35.0

C6) If you indicated an overall change in workload resulting from implementation of Direct Loans in Question 5, please specify whether you think the change is **temporary** (i.e., will occur only during the initial phase of the process) or **permanent** (i.e., will continue in the regular operation of the Direct Loan Program).

T%	V%	
19.2	22.0	Temporary
68.1	78.0	Permanent

142

C7) Please check the statements below that apply to your perception of staffing or workload changes related to your institution's implementation of the Direct Loan Program. *(Check all that apply.)*

T%	V%	
51.8	59.7	Staff have been shifted to work on different financial aid functions.
5.6	6.4	Staff have been freed to work on other activities outside of financial aid.
1.3	1.5	Staff have been released to other departments or released from the institution.
32.2	37.2	Staff are working extra hours to accommodate the added activities.
14.8	17.1	Extra staff have been hired at the institution to accommodate the added activities.

C8) Which of the following describes the current software configuration used by your institution to process Direct Loans? *(Check all that apply.)*

T%	V%	
66.4	69.1	EDExpress software
20.1	20.9	Commercial software
10.5	11.0	Software developed internally
19.5	20.3	Other

C9) How satisfied are you with the software configuration used by your institution to process Direct Loans as it relates to each of the following performance areas? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied**, please circle your level of satisfaction.)*

	Very Satisfied 1		2		3		4		Very Dissatisfied 5	
Performance Area	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**
Overall usefulness of software (i.e., the extent to which it can adequately perform the functions required)	24.7	26.5	32.1	34.5	22.6	24.2	9.9	10.6	3.9	4.2
Ease of integration and compatibility with your previously existing system	24.6	26.7	26.0	28.3	21.2	23.0	13.4	14.6	6.6	7.2
Processing efficiency (e.g., the ability to batch- process or process multiple types of loans)	26.5	28.5	28.1	30.2	22.1	23.7	10.7	11.5	5.6	6.0

C10) Please indicate whether you are currently participating in the Direct Loan Program as an option one, option two, or option three institution (as defined by the Department of Education). *(Check only one.)*

T%	V%	
14.7	15.5	Option 1/Partial Origination (formerly level two institution)
72.3	76.5	Option 2/Full Origination (formerly level one institution)
7.6	8.0	Option 3/Standard Origination (formerly level three institution)

Section D—Information and Support from the Department of Education (Direct Loan Institutions)

D1) Following is a list of Direct Loan Program information or support that you may have received from the Department of Education or its servicer during the 1996/97 academic year. For each item:

a) **Using a scale of 1-5, with 1 being very timely and 5 being not at all timely**, rate (by circling the appropriate number), the timeliness of the information/support for your needs and activities.

(Circle NA if you have not received the information/support from ED.)

Material/Training Provided by ED	Timeliness											
	1		2		3		4		5		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Information on Direct Loan Program rules and regulations	31.2	32.3	38.6	39.9	18.8	19.5	4.9	5.0	2.3	2.3	0.9	1.0
Telephone support for policy or administrative guidance	26.2	26.8	25.6	26.2	25.4	26.0	10.7	10.9	3.4	3.5	6.4	6.5
Direct Loan Users Guide	28.7	30.2	30.3	31.7	23.0	24.1	7.6	8.0	3.8	4.0	1.9	2.0
In-person assistance	18.8	19.4	14.7	15.1	14.1	14.5	5.3	5.5	5.3	5.5	38.8	40.0
Borrower counseling materials	37.6	38.8	27.9	28.9	16.0	16.5	7.3	7.5	6.0	6.2	2.0	2.0
Training materials for counselors	32.1	33.6	24.8	26.0	18.0	18.9	7.7	8.1	3.2	3.4	9.5	9.9
Entrance/exit counseling videos	38.1	39.8	21.6	22.6	15.0	15.7	4.4	4.6	4.0	4.2	12.5	13.1
Pre-printed promissory notes	47.3	48.5	19.7	20.2	9.5	9.8	1.8	1.9	2.3	2.3	16.9	17.3
Reconciliation guide	21.3	22.5	24.1	25.5	22.2	23.5	8.1	8.6	3.4	3.6	15.4	16.3
Consolidation booklet	24.3	25.4	22.2	23.1	19.8	20.6	4.5	4.7	5.2	5.4	19.9	20.7
Loan origination support	21.9	22.4	28.2	28.9	21.0	21.5	10.9	11.1	5.9	6.1	9.7	10.0
Loan reconciliation support	15.2	15.7	17.7	18.3	21.8	22.6	14.9	15.4	10.5	10.9	16.5	17.1
Training and technical support	22.5	23.0	24.2	24.8	23.9	24.5	13.3	13.6	2.9	3.0	10.8	11.1
Software for administration or reporting functions	17.4	17.9	21.0	21.6	22.1	22.8	7.4	7.6	3.3	3.4	26.0	26.7
Videoconferences	11.0	11.4	13.5	13.9	18.1	18.8	2.9	3.0	1.8	1.8	49.2	51.0

D1b) Using a scale of 1-5, with 1 being very useful and 5 being not at all useful, rate (by circling the appropriate number), the usefulness of the information/support in providing the instruction or service needed by your institution.

(Circle NA if you have not received the information/support from ED.)

Material Training Provided by ED	Usefulness											
	1		2		3		4		5		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Information on Direct Loan Program rules and regulations	37.7	39.2	38.0	39.6	14.7	15.3	2.6	2.7	1.9	2.0	1.1	1.2
Telephone support for policy or administrative guidance	35.5	36.7	26.4	27.3	17.5	18.1	8.0	8.3	2.7	2.8	6.6	6.8
Direct Loan Users Guide	35.1	36.7	27.3	28.6	22.0	23.1	5.0	5.2	3.5	3.7	2.6	2.7
In-person assistance	25.3	26.4	13.3	13.9	12.2	12.8	3.9	4.0	4.0	4.2	36.9	38.6
Borrower counseling materials	55.4	57.1	26.2	27.1	8.1	8.4	3.6	3.7	1.8	1.9	1.8	1.8
Training materials for counselors	40.0	41.9	24.3	25.5	16.7	17.5	3.2	3.4	2.0	2.1	9.2	9.6
Entrance/exit counseling videos	41.4	43.5	18.9	20.0	11.1	11.6	5.5	5.7	5.9	6.2	12.2	12.9
Pre-printed promissory notes	55.1	57.2	16.2	16.8	5.4	5.6	1.6	1.7	1.3	1.3	16.8	17.4
Reconciliation guide	23.5	24.8	22.9	24.1	22.0	23.2	6.6	6.9	3.5	3.7	16.4	17.3
Consolidation booklet	29.6	31.1	22.6	23.7	17.4	18.2	2.1	2.2	3.7	3.9	20.0	21.0
Loan origination support	29.4	30.6	26.0	27.1	17.0	17.7	9.4	9.8	4.0	4.2	10.2	10.6
Loan reconciliation support	22.9	24.1	18.3	19.2	15.8	16.6	13.6	14.3	8.9	9.4	15.8	16.6
Training and technical support	30.7	32.0	22.2	23.1	20.6	21.5	10.0	10.4	2.2	2.3	10.3	10.7
Software for administration or reporting functions	21.8	22.7	17.7	18.5	19.8	20.7	7.8	8.1	3.5	3.7	25.1	26.2
Videoconferences	11.5	12.1	12.7	13.4	17.5	18.4	2.9	3.1	2.4	2.6	48.0	50.5

D2) Does your institution have any type of communication or interaction with the Department of Education (or its servicer) **regarding loan repayment and/or consolidation**?

T%	V%	
48.9	50.7	Yes
47.6	49.3	No

BEST COPY AVAILABLE

(If you answered "no," skip to Question D7.)

If "Yes" in D2

D3) For each of the following **consolidation** activities, please indicate the frequency of occurrence at your institution. *(Circle the appropriate rating.)*

Consolidation Activities	Frequently		Sometimes		Seldom		Never	
	T%	V%	T%	V%	T%	V%	T%	V%
Refer borrowers to loan originator contractor for consolidation information and/or materials	37.2	41.0	34.0	37.4	11.5	12.7	8.2	9.0
Contact loan originator contractor directly to obtain forms/information	15.2	16.8	45.0	49.5	21.8	23.9	8.9	9.8
Intervene with loan originator contractor at the request of borrowers	12.3	13.6	40.0	44.0	28.4	31.3	10.2	11.2
Other interaction with loan originator contractor (Specify):	1.9	26.9	4.3	61.9	0.8	11.2	0.0	0.0

D4) For each of the following **loan repayment** activities, please indicate the frequency of occurrence at your institution. *(Circle the appropriate rating.)*

Loan Repayment Activities	Frequently		Sometimes		Seldom		Never	
	T%	V%	T%	V%	T%	V%	T%	V%
Refer borrowers to loan originator contractor for loan repayment information and/or materials	40.1	43.0	33.3	35.7	13.9	14.9	5.9	6.4
Contact loan originator contractor directly to obtain forms/information	23.4	25.1	38.5	41.3	24.1	25.8	7.3	7.8
Intervene with loan originator contractor at the request of borrowers	17.3	18.5	39.6	42.5	28.2	30.3	8.1	8.7
Other interaction with loan originator contractor (Specify):	2.3	37.1	3.7	59.8	0.2	3.1	0.0	0.0

D5) Overall, how satisfied are you with the communications that you have had with the Department of Education (or its servicer) concerning loan repayment and consolidation? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable**, please circle your level of satisfaction.)*

Type of Communication	Very Satisfied 1		2		3		4		Very Dissatisfied 5	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Loan repayment	27.8	30.8	34.3	38.0	22.0	24.4	2.9	3.2	0.6	0.6
In-school Direct Loan consolidation	17.6	20.0	31.6	35.8	23.3	26.4	5.2	5.9	2.5	2.8
Out-of-school Direct Loan consolidation	18.7	21.1	32.3	36.5	20.9	23.7	4.4	4.9	6.2	7.1

D6) In the table below, please rate your level of satisfaction with the timeliness and clarity of the Department of Education's loan **repayment** regulations. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable,*** *please rate your level of satisfaction with the guidelines provided for each of the following loan repayment options.)*

	Timeliness											
	1		2		3		4		5		NA	
Loan Repayment Options	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Standard repayment plan	38.5	40.8	29.1	30.9	16.1	17.1	1.5	1.6	1.2	1.3	7.8	8.3
Income-contingent repayment plan	33.7	35.8	28.6	30.5	18.3	19.4	1.8	1.9	0.9	1.0	10.6	11.3
Extended repayment plan	34.0	36.1	29.2	31.0	16.4	17.4	1.8	1.9	0.7	0.8	12.0	12.7
Graduated repayment plan	31.8	33.8	30.2	32.0	15.8	16.8	2.2	2.3	0.7	0.8	13.4	14.3

	Clarity											
	1		2		3		4		5		NA	
Loan Repayment Options	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Standard repayment plan	39.1	41.8	27.1	29.0	18.6	19.9	1.9	2.1	1.3	1.3	5.5	5.9
Income-contingent repayment plan	31.3	33.5	25.2	27.0	23.4	25.0	4.1	4.4	1.2	1.3	8.3	8.9
Extended repayment plan	34.2	36.6	27.0	28.9	20.2	21.6	1.4	1.5	1.0	1.1	9.7	10.3
Graduated repayment plan	31.5	33.7	27.4	29.4	20.4	21.8	1.5	1.7	1.2	1.3	11.3	12.1

D7) In the table below, please rate your level of satisfaction with the timeliness and clarity of the Department of Education's **consolidation** guidelines. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable,*** *please rate your level of satisfaction with the guidelines issued for each of the following consolidation components.)*

	Timeliness											
	1		2		3		4		5		NA	
Type of Consolidation	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
In-school Direct Loan consolidation	17.2	18.5	22.4	24.2	22.2	24.0	4.2	4.6	7.3	7.9	19.3	20.8
Out-of-school Direct Loan consolidation	19.0	20.5	23.9	25.7	25.6	27.6	4.4	4.7	7.1	7.7	12.7	13.7
In-school FFEL consolidation	13.2	14.3	15.2	16.5	17.1	18.5	2.0	2.2	2.1	2.2	42.6	46.2
Out-of-school FFEL consolidation	14.3	15.6	15.5	16.8	18.9	20.5	2.4	2.6	2.1	2.2	39.0	42.3

	Clarity											
	1		2		3		4		5		NA	
Type of Consolidation	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**	**T%**	**V%**
In-school Direct Loan consolidation	16.2	17.6	23.3	25.3	23.8	25.9	7.4	8.1	3.9	4.3	17.2	18.7
Out-of-school Direct Loan consolidation	17.1	18.7	24.3	26.5	26.3	28.7	8.6	9.4	3.8	4.1	11.5	12.6
In-school FFEL consolidation	11.5	12.7	14.8	16.4	18.4	20.3	3.3	3.6	2.2	2.5	40.3	44.5
Out-of-school FFEL consolidation	12.9	14.2	15.7	17.3	19.2	21.2	3.8	4.2	2.2	2.5	36.8	40.6

D8) Has your institution had any contact with the Direct Loan client account managers in the Department of Education's Regional Office for your area?

T%	V%	
70.0	71.7	Yes
27.7	28.3	No

(If you answered "no," skip to Section E.)

If "Yes" in D8

D9) How would you describe the level of interaction between your institution and the Direct Loan client account managers in the Regional Office? *(Check only one response.)*

T%	V%	
22.6	23.5	Extensive interaction
51.3	53.2	Some interaction
22.6	23.4	Very little interaction

D10) Were the contacts with the Direct Loan client account managers in the Regional Office initiated by your institution, the Regional Office, or both? *(Check only one response.)*

T%	V%	
22.8	23.5	Institution
10.1	10.5	Regional Office
63.8	66.0	Both the institution and the Regional Office

D11) Following is a list of possible reasons for contact with the Department of Education's Regional Office. For each item:

a) **Using a scale of 1-5, with 1 being very timely and 5 being not at all timely**, rate (by circling the appropriate number), the timeliness of the training/support you received in meeting your needs.

(Circle NA if you have not received the listed training/support from the Regional Office.)

	Timeliness											
	1		2		3		4		5		NA	
Contact with the ED Regional Office	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Training received at the Regional Office (or at a designated facility)	30.0	31.1	25.5	26.4	14.9	15.4	3.3	3.4	0.4	0.5	22.5	23.3
Training/guidance delivered by account managers at your institution	18.8	19.7	14.5	15.2	14.7	15.3	3.5	3.6	0.5	0.5	43.7	45.6
Questions regarding Direct Loan policy	32.5	33.7	27.4	28.4	17.8	18.4	2.8	2.8	0.1	0.1	16.0	16.6
Entrance/exit counseling issues	17.6	18.4	13.7	14.3	9.0	9.3	2.6	2.7	0.1	0.1	52.8	55.1
Requests for ED-provided materials	28.1	29.4	26.0	27.1	10.5	11.0	2.6	2.7	1.7	1.8	26.9	28.1
Questions/issues regarding computer systems design or implementation	18.3	19.0	20.4	21.2	16.5	17.2	4.2	4.4	1.8	1.9	34.8	36.3
Questions/issues regarding loan origination	22.7	23.5	26.1	27.0	16.4	17.0	3.2	3.3	0.5	0.5	27.6	28.6
Questions/issues regarding disbursement and/or refunding of excess funds to borrowers	22.7	23.7	21.4	22.4	14.7	15.4	3.0	3.2	1.3	1.4	32.6	34.0
Computer-related reconciliation issues	16.8	17.5	21.2	22.1	18.3	19.1	8.8	9.2	3.8	4.0	27.0	28.2
Accounting-related reconciliation issues	14.9	15.5	20.8	21.6	16.9	17.6	5.8	6.1	3.8	4.0	33.9	35.2
Inquiries requesting appropriate sources of contact for specific questions relating to the loan process	30.3	31.4	22.2	23.0	16.4	17.0	4.5	4.7	0.9	0.9	22.3	23.1

D11b) **Using a scale of 1-5, with 1 being very useful and 5 being not at all useful**, rate (by circling the appropriate number), the usefulness of the training/support you received in meeting your needs.

(Circle NA if you have not received the listed training/support from the Regional Office.)

Contact with the ED Regional Office	Usefulness											
	1		2		3		4		5		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Training received at the Regional Office (or at a designated facility)	35.4	37.1	23.7	24.9	10.7	11.3	3.1	3.3	0.0	0.0	22.4	23.5
Training/guidance delivered by account managers at your institution	24.2	25.8	11.6	12.4	15.3	16.3	1.6	1.8	0.5	0.5	40.6	43.3
Questions regarding Direct Loan policy	39.2	41.1	24.5	25.7	14.4	15.1	1.9	2.0	0.4	0.5	14.9	15.7
Entrance/exit counseling issues	24.2	25.9	10.1	10.8	7.5	8.0	1.5	1.6	0.0	0.0	50.4	53.7
Requests for ED-provided materials	34.7	36.8	23.9	25.3	8.2	8.6	1.0	1.1	0.3	0.3	26.3	27.9
Questions/issues regarding computer systems design or implementation	21.6	22.8	17.5	18.5	12.7	13.4	4.9	5.2	4.5	4.8	33.5	35.4
Questions/issues regarding loan origination	27.8	29.1	20.7	21.7	15.9	16.6	3.8	3.9	0.8	0.8	26.6	27.8
Questions/issues regarding disbursement and/or refunding of excess funds to borrowers	26.3	27.8	19.9	21.1	11.0	11.7	4.4	4.6	1.6	1.7	31.3	33.1
Computer-related reconciliation issues	20.8	22.0	18.2	19.2	14.8	15.6	11.1	11.7	5.1	5.4	24.8	26.1
Accounting-related reconciliation issues	18.6	19.7	17.4	18.5	14.9	15.8	7.5	7.9	5.2	5.5	30.9	32.7
Inquiries requesting appropriate sources of contact for specific questions relating to the loan process	33.0	34.5	21.6	22.5	14.0	14.6	4.3	4.5	1.4	1.4	21.5	22.4

Section E—Overall Impressions of the Direct Loan Program

E1) Please review the statements about the Direct Loan Program listed below. Then in the appropriate column:

a) Indicate any statements that describe the most important attributes of the Direct Loan Program for your institution. Please check **up to three** benefits.

b) Indicate any statements that describe areas of the Direct Loan Program where your expectations were unmet. ***(Check all that apply.)***

Attribute of Direct Loan Program	Most Important Benefits		Unmet Expectations	
	T%	V%	T%	V%
Borrowers are served well through the Direct Loan Program.	70.6	75.1	7.1	8.3
The Direct Loan Program is simple to administer.	40.5	45.4	31.3	35.2
The Direct Loan Program is viable.	27.1	30.1	5.5	6.4
The availability of loan funds is predictable in the Direct Loan Program.	43.6	48.0	7.6	8.8
The Direct Loan Program is cost-effective to administer.	20.3	23.5	20.7	23.6
The flexibility of loan repayment options is beneficial to borrowers.	59.2	64.2	3.2	3.8

E2) Please rate your general satisfaction with the Direct Loan Program up to this point. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied,*** *circle your level of satisfaction.)*

	1		2		3		4		5		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	23.6	24.3	38.3	39.4	23.7	24.4	9.3	9.6	2.3	2.3	Very Dissatisfied

E3) Compared to the 1995/96 academic year, has your overall level of satisfaction this year with the Federal Student Loan process increased, decreased, or remained the same?

T%	V%	
27.2	28.1	Increased
28.8	29.8	Decreased
40.8	42.1	Remained the same

E4) What is the most important advice you would give another institution that was preparing to implement the Direct Loan Program? {OE1}

%	
13.7	Need computer person on staff/tech support available
8.6	Ensure you have necessary computer hardware/equipment and configuration
6.1	Get training for staff/attend workshops
5.5	Plan ahead/start early
4.9	Do it
4.7	Other
4.4	Program benefits students/school
3.4	Think twice/don't do it
3.4	Patience/flexibility needed
3.1	Talk to other DL schools
3.0	Need adequate staffing (general)
3.0	Wait because of new servicer
2.8	Organization is the key to success with DL
2.5	Prepare/train staff beforehand for system operations
2.4	Get administrative support for computers/admin
2.4	School offices/administration needs to be willing to change & support program
2.3	Can't answer/no comment
2.3	Program easy to run
2.3	Expect problems/be diligent with Servicer
2.0	Learn reconciliation process
1.9	Expect problems and changes to software
1.7	Anticipate time/money/resources for training & implementation
1.4	Phase in slowly
1.4	Develop business process/procedures
1.4	Go 100% DL
1.3	Use an implementation team
1.3	Familiarize yourself with program beforehand
1.3	Takes time/resources to administer
1.2	Test program/systems
1.0	Coordinate implementation between all school offices
0.9	Be aware of LOC contracting situation (i.e., there will be a switch)
0.7	Explore all options before going DL
0.6	Use the Regional Office
0.6	Coordinate implementation between all school offices
0.3	Financial Aid Office will have greater workload

Questions E5 and E6 are only for institutions that are still participating in FFELP. If you are 100% Direct Loan, please skip to Question E7.

E5) Now that you are administering both programs, how satisfied are you with the **FFEL Program** as it currently is operating? ***(Using a scale of 1-5, with 1 being very satisfied and 5 being very dissatisfied,** please circle your level of satisfaction.)*

	1		2		3		4		5		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	29.8	32.6	31.1	34.0	22.4	24.4	5.2	5.7	3.0	3.3	Very Dissatisfied

BEST COPY AVAILABLE

E6) For the following areas of **FFEL Program** administration, please rate any changes in FFEL since the introduction of the Direct Loan Program, using the following scale:

1 = Improved
2 = The same, no changes
3 = Worsened
DK/NA = Don't' Know/Not Applicable

FFEL Program Administration	Improved		Same		Worsened		DK/NA	
	T%	V%	T%	V%	T%	V%	T%	V%
Student access to loans	20.4	22.7	66.1	73.6	1.5	1.7	1.8	2.0
Ease of administration of FFEL	36.2	40.4	51.5	57.4	0.8	0.8	1.3	1.4
Service from banks/guarantee agencies	48.8	54.4	36.1	40.2	2.1	2.3	2.8	3.1
Service from loan servicers/collection agencies	37.2	41.4	44.1	49.1	3.4	3.7	5.2	5.8
Service from your third party or privately contracted servicers	17.8	20.8	33.6	39.3	1.3	1.5	32.8	38.4

E7) What specific recommendations would you give to the Department of Education on how to improve the administration of the Direct Loan Program? *(List up to two recommendations.)* {OE2}

%	
17.8	Other
7.4	Better LOC reps/more staff
6.8	Improve customer service of Montgomery servicer
6.2	Improve overall performance of Montgomery servicer (general)
5.9	Improve ED Express/software quality, functions, or documentation
5.9	Improve reconciliation process
5.6	Expand training - local
4.2	Don't change the Servicer/stay with one
3.8	Test software updates thoroughly before release
3.8	Provide better technical support
3.5	Go back to Utica
3.4	Can't answer/no comment.
3.4	Conduct testing with LOC first - ensure they can do the job
2.8	Expand software training (specific)
2.7	Don't change Servicers for wrong reasons (i.e., cost)
2.6	Better anticipate problems that come with Servicer switch - be proactive
2.5	Stop changing software as frequently
2.2	Don't change Servicers mid-year
1.7	Increase availability of school reps
1.7	Return phone calls
1.5	More timely fund availability
1.5	Extend contract period of Servicer so a switch is not frequently necessary
1.4	Release new software/publications early
0.8	Improve communication of regulations/changes
0.5	Change software to allow for correction of errors
0.3	Find another Servicer

Section F—Administration of the FFEL Program

F1) How would you rate your current level of satisfaction with each of the following activities involved in administering the Federal Family Education Loan Program? *(Circle only one rating for each activity. Circle NA for activities that you have not yet had experience with in the Federal Family Education Loan Program.)*

Activity	Very Satisfied		Somewhat Satisfied		Somewhat Dissatisfied		Very Dissatisfied		NA	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Keeping up with regulations	32.7	33.2	54.2	55.1	9.0	9.1	2.0	2.1	0.4	0.4
Answering general questions about loans and financial aid	54.8	55.8	40.2	40.9	2.3	2.3	0.7	0.7	0.3	0.3
Counseling borrowers while in school	49.4	50.3	42.8	43.6	4.0	4.0	0.6	0.6	1.5	1.5
Processing of loan applications	52.4	53.3	38.8	39.5	5.2	5.3	1.3	1.3	0.6	0.6
Requesting and receiving loan funds	56.5	57.6	34.6	35.3	4.5	4.6	0.9	0.9	1.6	1.6
Disbursing loan funds (including preparing loan checks and getting student signatures)	45.8	46.5	40.1	40.8	8.3	8.4	1.4	1.4	2.8	2.8
Refunding excess loan funds to students	36.3	37.0	42.2	43.1	9.4	9.5	2.3	2.4	7.8	8.0
Reconciliation/financial monitoring and reporting	31.5	32.1	49.8	50.7	8.5	8.7	1.2	1.2	7.2	7.3
Recordkeeping and reporting of student information (includes SSCRs, financial aid transcripts, and updates to NSLDS)	25.1	25.6	48.4	49.2	16.7	17.0	4.6	4.7	3.5	3.6
Helping students with loans after they have left school	27.1	27.6	48.3	49.1	13.0	13.2	2.4	2.5	7.6	7.7

F2) How would you characterize the level of work or staff effort needed to **administer** this program on a day-to-day basis? *(Check only one response. If you are using EFT and manual processing, please take both into account when answering.)*

T%	V%	
8.4	8.6	Very easy to administer
34.1	34.7	Relatively easy to administer, with a few areas that require a high level of effort
30.3	30.8	A moderate amount of effort is required overall
21.2	21.6	Relatively labor intensive to administer, with many areas that require a high level of effort
4.2	4.3	Very labor intensive to administer

F3) Listed below are resources needed for the delivery of financial aid that may have changed at your institution. Please indicate if **increases or decreases** have occurred or will occur during the 1996/97 academic year by circling one number for each type of resource. This question refers **only** to changes that are a direct result of changes in the FFEL Program and that occurred or are budgeted to occur in the 1996/97 Federal Award Year. *(Circle one rating for each resource.)*

Resource	Level of Change									
	Significant Decrease		Small Decrease		No Change		Small Increase		Significant Increase	
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Number of permanent or temporary staff positions related to financial aid	1.7	1.7	3.5	3.6	78.4	79.7	13.4	13.6	1.3	1.3
Number of staff positions in Accounting or Business Office	0.5	0.5	2.9	2.9	84.0	85.7	9.6	9.8	1.0	1.0
Number of staff used for technical support	0.6	0.6	3.3	3.4	81.3	82.9	11.4	11.6	1.3	1.3
Number of hours current staff work	0.3	0.3	2.9	2.9	62.8	64.0	25.5	26.0	6.6	6.7
Equipment/computers	0.1	0.1	0.7	0.7	50.2	51.2	33.4	34.0	13.7	13.9
Supplies (postage, copying, etc.)	0.3	0.3	4.6	4.7	61.8	62.9	27.8	28.3	3.7	3.8
Funds for training	1.5	1.5	2.3	2.3	74.4	75.8	16.9	17.2	3.1	3.2
Funds for staff travel	2.0	2.0	3.1	3.1	72.6	74.1	17.6	18.0	2.6	2.7
Development/modification of computer programs/procedures	0.5	0.5	1.2	1.2	44.2	45.2	37.5	38.4	14.4	14.7
Other (Specify):	0.3	18.5	0.2	12.6	0.4	24.8	0.6	44.0	0.0	0.0

F4) Did the number of short-term loans (i.e., bridge loans) issued by your institution increase, decrease, or remain about the same during the 1996/97 academic year?

T%	V%	
9.1	9.2	Increased
4.7	4.8	Decreased
33.4	34.0	Remained about the same
50.9	51.9	Not applicable (institution does not issue short-term loans)

F5) How many lenders do you deal with on a regular basis in the FFEL Program? *(Check only one response.)*

T%	V%	
21.6	22.0	1-2 lenders
33.2	33.9	3-5 lenders
25.0	25.4	6-10 lenders
10.5	10.7	11-20 lenders
7.9	8.0	More than 20 lenders

F6) How many guarantee agencies do you deal with on a regular basis in the FFEL Program? *(Check only one response.)*

T%	V%	
42.5	43.3	1 guarantee agency
40.5	41.3	2-3 guarantee agencies
9.4	9.6	4-5 guarantee agencies
5.6	5.7	More than 5 guarantee agencies

F7) Does your institution use electronic funds transfer (EFT) to administer the FFEL Program?

T%	V%	
38.7	39.4	Yes
59.6	60.6	No

If "Yes" in F7

F8) What percentage of your FFEL Program loans are processed through EFT?

84.3 %

Section G—Information and Support from the Department of Education, Lenders, and Guarantee Agencies (FFEL Institutions)

G1) Following is a list of FFEL Program information or support that you may have received from the Department of Education, your primary lender, or your primary guarantor during the 1996/97 academic year. For each item and each source of information or support:

a) **Using a scale of 1-5, with 1 being very timely and 5 being not at all timely**, rate (by circling the appropriate number) the timeliness of the information/support for your needs and activities.

	Timeliness											
	1		2		3		4		5		NA	
Materials/Training Provided by ED	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Information on FFEL Program rules and regulations	23.4	23.8	33.3	34.0	28.8	29.4	8.7	8.9	2.4	2.4	1.4	1.5
Telephone support for policy or administrative guidance	18.0	18.4	21.1	21.5	23.3	23.8	11.3	11.5	7.7	7.8	16.6	16.9
Borrower counseling materials	22.0	22.6	22.5	23.0	21.7	22.2	7.3	7.5	4.5	4.6	19.6	20.1
Training sessions	20.0	20.5	27.7	28.3	26.7	27.2	9.4	9.6	3.3	3.4	10.7	10.9
Software for administration or reporting functions	12.4	12.6	18.6	19.0	20.6	21.1	7.6	7.8	4,9	5.0	33.8	34.5
Materials/Training Provided by Primary Lender (or Servicer)												
Information on FFEL Program rules and regulations	32.9	33.6	29.3	30.0	16.5	16.9	4.4	4.5	1.6	1.6	13.1	13.4
Telephone support for policy or administrative guidance	40.2	41.1	26.5	27.1	13.2	13.5	4.9	5.0	2.1	2.1	11.0	11.2
Borrower counseling materials	43.9	44.8	26.0	26.5	12.2	12.4	3.7	3.8	1.7	1.7	10.5	10.7
Training sessions	24.2	24.8	22.3	22.8	16.5	16.9	4.8	4.9	1.3	1.4	28.5	29.2
Software for administration or reporting functions	19.4	19.9	16.0	16.4	12.3	12.6	4.1	4.2	1.6	1.6	44.1	45.2
Materials/Training Provided by Primary Guarantor												
Information on FFEL Program rules and regulations	44.2	45.5	31.5	32.4	14.0	14.4	3.5	3.6	1.4	1.4	2.6	2.6
Telephone support for policy or administrative guidance	48.0	49.4	27.6	28.4	11.5	11.8	3.5	3.6	2.3	2.3	4.3	4.4
Borrower counseling materials	42.2	43.4	28.2	29.0	14.0	14.4	3.4	3.5	1.7	1.8	7.6	7.9
Training sessions	37.2	38.3	27.9	28.8	16.7	17.2	4.0	4.1	1.9	1.9	9.5	9.7
Software for administration or reporting functions	27.1	28.0	19.6	20.2	12.6	13.0	3.6	3.8	1.7	1.7	32.3	33.3

G1b) **Using a scale of 1-5, with 1 being very useful and 5 being not at all useful**, rate (by circling the appropriate number) the usefulness of the information/support. By usefulness, we mean the effectiveness in providing the instructions or services need by your institution.

	Usefulness											
	1		2		3		4		5		NA	
Materials/Training Provided by ED	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Information on FFEL Program rules and regulations	32.2	33.2	32.2	33.2	23.9	24.6	5.5	5.7	1.7	1.8	1.5	1.5
Telephone support for policy or administrative guidance	23.6	24.4	23.6	24.4	19.7	20.4	8.0	8.3	5.8	6.0	16.0	16.6
Borrower counseling materials	25.6	26.5	20.6	21.3	20.4	21.1	6.5	6.8	4.4	4.5	19.0	19.7
Training sessions	26.8	27.6	26.3	27.1	22.6	23.3	7.7	8.0	2.8	2.9	10.7	11.0
Software for administration or reporting functions	16.2	16.8	16.1	16.6	18.7	19.4	7.4	7.7	5.0	5.2	33.0	34.2
Materials/Training Provided by Primary Lender (or Servicer)												
Information on FFEL Program rules and regulations	36.2	37.4	29.2	30.1	13.3	13.7	4.1	4.3	1.1	1.1	13.0	13.4
Telephone support for policy or administrative guidance	42.4	43.8	26.1	27.0	12.1	12.5	4.0	4.1	1.6	1.6	10.6	11.0
Borrower counseling materials	45.6	47.0	24.9	25.7	11.2	11.6	3.4	3.5	1.6	1.7	10.3	10.6
Training sessions	27.2	28.2	21.8	22.6	13.8	14.3	3.7	3.8	1.6	1.7	28.4	29.4
Software for administration or reporting functions	22.0	22.8	15.5	16.1	10.4	10.8	3.5	3.7	1.6	1.6	43.5	45.1
Materials/Training Provided by Primary Guarantor												
Information on FFEL Program rules and regulations	48.4	50.2	28.7	29.8	13.0	13.4	2.8	2.9	1.0	1.1	2.5	2.6
Telephone support for policy or administrative guidance	50.9	52.8	25.9	26.9	11.0	11.4	2.9	3.0	1.6	1.7	4.1	4.3
Borrower counseling materials	45.5	47.2	25.4	26.4	13.5	14.0	3.2	3.3	1.2	1.3	7.6	7.9
Training sessions	41.1	42.6	25.9	26.9	14.5	15.1	3.9	4.0	1.5	1.6	9.5	9.8
Software for administration or reporting functions	31.2	32.6	17.2	18.0	10.7	11.2	3.6	3.7	1.4	1.5	31.6	33.0

G2) What percentage of your loan volume is handled by your **primary** lender?

58.4 %

G3) What percentage of your loan volume is handled by your **primary** guarantee agency?

86.2 %

G4) Does your institution have any type of communication or interaction with your FFEL servicer(s) **regarding loan repayment and/or consolidation**?

T%	**V%**	
54.6	55.9	Yes
43.0	44.1	No

(If you answered "no," skip to Section H.)

If "Yes" in G4

G5) For each of the following **consolidation activities**, please indicate the frequency of occurrence at your institution. *(Circle the appropriate rating.)*

	Frequently		Sometimes		Seldom		Never	
	1		2		3		4	
Consolidation Activities	T%	V%	T%	V%	T%	V%	T%	V%
Refer borrowers to servicer(s) for Information and/or materials	29.5	32.2	42.7	46.6	15.5	16.9	3.9	4.2
Contact servicer(s) directly to obtain forms/information	20.5	22.5	39.4	43.1	24.2	26.5	7.2	7.9
Intervene with servicer(s) at the request of borrowers	15.5	16.9	36.7	40.1	30.5	33.4	8.8	9.6
Other interaction with servicer(s) (Specify):	1.6	32.6	2.0	40.4	1.3	26.0	0.0	0.0

G6) For each of the following **loan repayment activities,** please indicate the frequency of occurrence at your institution. *(Circle the appropriate rating.)*

	Frequently		Sometimes		Seldom		Never	
	1		2		3		4	
Loan Repayment Activities	T%	V%	T%	V%	T%	V%	T%	V%
Refer borrowers to service(s) for information and/or materials	46.4	48.4	40.5	42.2	7.9	8.3	1.1	1.1
Contact servicer(s) directly to obtain forms/information	34.9	36.4	43.2	45.0	15.1	15.8	2.7	2.8
Intervene with servicer(s) at the request of borrowers	25.3	26.4	42.0	43.8	24.4	25.5	4.2	4.4
Other interaction with servicer(s) (Specify):	4.2	57.4	2.5	34.1	0.6	8.5	0.0	0.0

G7) **Overall**, how satisfied are you with the communications that you have had with your FFEL servicer concerning loan repayment and consolidation? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable,*** *please circle your level of satisfaction .)*

	Very Satisfied 1		2		3		4		Very Dissatisfied 5	
Type of Communication	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%
Loan repayment	49.7	52.2	42.4	44.5	14.9	15.6	1.3	1.4	0.7	0.7
In-school FFEL consolidation	31.2	35.0	35.2	39.4	20.1	22.5	1.6	1.8	0.8	0.9
Out-of-school FFEL consolidation	33.9	37.9	36.2	40.5	20.7	23.2	1.6	1.8	1.0	1.1

Section H—Overall Impressions of the Federal Family Education Loan Program

H1) Please review the statements about the FFEL Program listed below. Then in the appropriate column:

a) Indicate any statements that describe the most important attributes of the FFEL Program for your institution. Please check **up to three** benefits.

b) Indicate any statements that describe areas of the FFEL Program where your expectations were unmet. ***(Check all that apply.)***

Attribute of FFEL Program	Most Important Benefits		Unmet Expectations	
	T%	V%	T%	V%
Borrowers are served well through the FFEL Program.	74.1	77.5	5.6	5.8
The FFEL Program is simple to administer.	41.1	42.9	19.0	19.8
The FFEL Program is viable.	36.3	37.9	2.0	2.1
The availability of loan funds is predictable in the FFEL Program.	53.3	55.8	3.6	3.8
The FFEL Program is cost-effective to administer.	28.8	30.1	11.8	12.3
The flexibility of loan repayment options is beneficial to borrowers.	36.5	38.2	9.1	9.5

H2) Please rate your general satisfaction with the Federal Family Education Loan Program. (**Using a scale of 1 to 5, *with 1 being very satisfied and 5 being very dissatisfied,*** please circle your level of satisfaction.)

	1		2		3		4		5		
	T%	V%	T%	V%	T%	V%	T%	V%	T%	V%	
Very Satisfied	34.9	36.2	43.2	44.9	14.6	15.1	2.8	2.9	0.9	0.9	Very Dissatisfied

H3) Compared to the 1995/96 academic year, has your overall level of satisfaction with the Federal student loan process increased, decreased, or remained the same?

T%	V%	
31.4	32.7	Increased
4.0	4.2	Decreased
60.6	63.1	Remained the same

H4) Which of the following statements describes your status or plans for participation in the Direct Loan Program? *(Check only one response.)*

T%	V%	
8.7	9.1	Currently participating in the Direct Loan Program
9.8	10.3	Accepted into Direct Loan Program, but did not participate
1.1	1.2	Applied for Year 4 of the Direct Loan Program; application accepted or pending
1.2	1.3	Will apply for Year 5 of the Direct Loan Program
0.6	0.6	Application for Direct Loan Program rejected
73.9	77.5	Not planning to apply for Direct Loan Program

H5) What specific recommendations would you give to the Department of Education or loan servicers on how to improve the administration of the FFEL Program? *(List up to two recommendations.)* {0E3}

%	
15.6	Other
5.8	Simplify regulations
5.3	None
4.2	Need clear/regular communication to students
4.1	Everything good
3.6	Don't penalize schools for students default
3.4	Revise application forms/Use FAFSA
2.9	Provide better/more timely materials
2.9	Reduce regulations
2.8	Ed regional staff and servicer customer service
2.7	Aid entrance/exit counseling
2.4	Change EFT procedures
2.4	Change loan repayment options/procedures
2.4	Regulations should be same for FFEL as DL
2.4	Eliminate 3-day rule
2.3	Improve training program
2.3	Improve SSCR reporting
2.2	Increase debt limit
2.1	Provide regulatory relief to schools with low default
2.0	Equal/improved support for FFEL as DL
2.0	Lower debt limit
1.9	Change loan proration procedures
1.7	Give school control to deny loans
1.6	Eliminate 30-day rule
1.6	Improve software/On-line service
1.5	Reduce paperwork
1.4	Schools should be able to select lender
1.4	Eliminate multiple disbursement for students > 12 mos.
1.3	Master prom note
1.2	Control buying and selling
1.2	Simplify lender/balance info to borrowers
1.1	Communicate defaults better
1.1	Improve communication (general)
1.0	Improve use of NSLDS
1.0	Eliminate sub & unsub categories
0.9	Timely Disbursements
0.9	Common line processing
0.8	Require credit checks
0.8	Change/eliminate fees
0.7	FFEL/DL consolidation
0.5	Administrative Cost Allowance
0.4	No pressure to leave FFEL
0.2	Provide incentives to students

Section I—Institution No Longer Participates in Direct Loan Program or No Direct Loans Have Been Originated

I1) When did your institution originally begin participating in the Direct Loan Program?

T%	V%	
8.3	8.3	Academic year 1994/95
68.3	68.3	Academic year 1995/96
23.4	23.4	Academic year 1996/97

I2) When did your institution stop participating in the Direct Loan Program?

T%	V%	
3.7	3.7	Academic year 1994/95
14.0	14.0	Academic year 1995/96
11.5	11.5	Academic year 1996/97
70.8	70.8	Still participating—institution currently participates in Direct Lending; however, no loans have been originated

If you stopped participating in Direct Loan Program

I3) Please indicate (in the space below) why your institution is no longer participating in the Direct Loan Program. {0E4}

%	
26.6	Too Cumbersome/Complex
26.6	Prom note problems
19.0	Signed up but never started
9.6	Electronic process problems
8.8	Year 4 school
4.9	Left because of problems with Servicer
4.3	School could not handle workload

Section J—Institution Does Not Currently Offer Federal Student Loans or Indicated "Zero" Loan Volume[2]

J1) When did your institution last originate Federal student loans?

☐{1} Academic year 1995/96

☐{2} Academic year: ______ {J1a}

☐{3} Institution has never participated in the Federal Student Loan Program. *(If you answered "never participated," skip to the end.)*

If you stopped originating Federal student loans

J2) During the last year in which your institution originated Federal student loans, in which program did you participate?

☐{1} Direct Loan

☐{2} FFEL

☐{3} Both

166

---

[2] Institutions answering section J were deemed out-of-scope; therefore, their responses are suppressed.

Section K—Survey Issues[3]

K1) Do you have any suggestions or comments on this survey? {0E5}

K2) Do you have suggestions on ways to improve future surveys or reduce their burden to you? {OE6}

THANK YOU VERY MUCH FOR TAKING THE TIME TO FILL OUT THIS QUESTIONNAIRE.

---

[3] Open-ended responses in Section K were not assigned verbatim codes.

Appendix D

Survey Methodology

Survey Methodology

Sample Design

The sample for the 1997 institutional survey was derived from two sources:

1) The 112 First Year Direct Loan institutional campuses, selected by the Department of Education to achieve the mandated criteria for the first year of the program; and

2) The original sample of 3,059 FFELP institutions, randomly selected from a stratified population of 5,720 schools in the FFELP sampling frame. This sample was stratified by school type and control, and by school size (small or large, as indicated by loan volume). In addition, HBCUs were included with certainty status. A complete description of the sample design for the institutional survey is presented in the Sample Design Report for the Institutional Survey (January 18, 1995).

Data Collection Methodology/Response Rate

The 1997 institutional survey was conducted using a mail survey methodology, with an option of completing the questionnaire via the Worldwide Web. Data collection for the survey began on May 16, 1997 and continued through August 20, 1997. Extensive telephone and mail follow up procedures were implemented in an effort to achieve the highest possible response rate.

The overall survey response rate was 82 percent, based on 2,212 responses from 2,714 eligible institutions. The response rate was 88 percent for first-year Direct Loan schools, 80 percent for second-year Direct Loan schools, 66 percent for third-year Direct Loan schools, and 82 percent for FFEL schools. Detailed tables illustrating the number and percent of responses, the sample distribution and representation, and the response rate by institutional type and control and loan volume (for each of the four loan program types) are included in Appendix B.

Data Analysis

In order to obtain weights the institutions were classified by size, Type/Control, and first year program status. In addition HBCU status was added to the classification for first year FFEL institutions when HBCUs responded. This resulted in a total of twenty-seven strata. In each stratum the institutions in the frame were classified into four categories:

1) Not in the initial sample
2) Respondent
3) Non-respondent, known to be in population
4) Not in population

Then, for each stratum we calculated r= (n(2)+n(3))/(n(2)+n(3)+n(4)), where n(I) is the number of institutions in the stratum in category I. This was used to estimate the proportion of the N institutions in the stratum that were actually in the population (i.e. active in one of the programs). The weight for each institution in the stratum was then defined as the estimated population of the stratum divided by the number of respondents from the stratum, or (rN)/n(2).

A jackknife technique was used to obtain variance estimates and confidence intervals for various statistics. This was done because of the unequal weights found in the sample and the decision to use replication weights. The process began with randomizing the order of the initial sample within each stratum, and then dividing the sample into 200 groups. This was done by starting with the first institution and putting it, and every subsequent institution, into a different group. After the first 200 were put into groups the next case was put into the same group as the first institution and the process repeated. For each set of replication weights, a different group was treated as if it had not been in the sample and the weights were readjusted. Some very small strata, with only one respondent, were collapsed to avoid bias due to non-representation of the stratum in replication estimates.

For the 1996-97 analysis, cross-tabs were produced using the Statistical Analysis System (SAS), and variance estimates and significance tests were conducted using the replication weights and the statistical package Wesvar. Whenever comparative findings between the Direct Loan and FFEL Programs are presented, tests for programmatic differences were done at the 5 percent level of significance *after* controlling for differences in both type and control and size among institutions participating in the same program. As a result, any observed differences can be attributed to actual programmatic differences, rather than differences in the composition of schools participating in the two programs.

Longitudinal Study

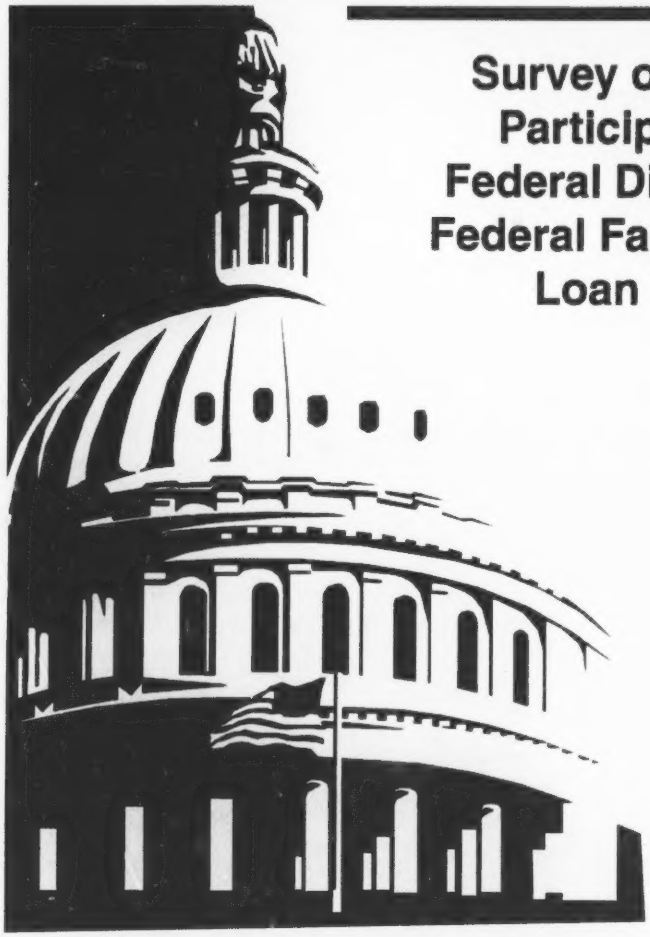
Since institutional surveys were administered in 1995, 1996, and 1997, intertemporal comparisons were made among both Direct Loan and FFEL institutions. However, before any statistical tests were conducted, institutions had to be weighted correctly for each year in which they responded. For each of the three years, we used the most up-to-date information available on program participation, resulting in a slightly different weighting methodology each year. Since the sample was drawn from NSLDS, in the first year we assumed that every institution was in-scope, and the respondents were simply weighed up to the population totals. In the second year, however, institutions were classified as being either in-scope or out-of-scope based on their responses, and for those institutions not responding, we used the percentage of out-of-scope responding institutions to estimate the number of out-of-scope, non-responding institutions. In the third year, institutions in the initial sample were classified as being in-scope or not using data from the NSLDS, subject to an override based on their actual response. However, in the third year the percentage of unsampled institutions in scope was still estimated.

The third year weights were modified slightly to accommodate the need to have the same strata for all three years. As a result, some strata had to be collapsed. A jackknife procedure was then applied to the initial sample, and any institution dropped one year was dropped for all three years for each weight. However, rather than recalculate the weights, the original weights were simply adjusted by the stratum to the original sum of the weights. This procedure could miss some of the variance accounted for by adjusting for the estimate of number of institutions in scope, but this should account for a very small proportion of the total variance.

For the longitudinal analysis, cross-tabs were produced using SAS and significance tests were conducted using Wesvar. As with the 1996-97 analysis, whenever comparative findings between the Direct Loan and FFEL Program are presented, tests for programmatic differences were done at the 5 percent level of significance *after* controlling for differences in both type and control and size among institutions participating in the two programs. However, whenever within-program comparisons were made (e.g., among the various cohorts of Direct Loan schools), differences in both type and control and size were not controlled for since all institutions in a particular program operate under the same set of rules.

Appendix E

Survey Instrument



Survey of Institutions Participating in the Federal Direct Loan and Federal Family Education Loan Programs

Conducted by Macro International Inc.
Under contract to the U.S. Department of Education
Contract no. EA93085001

Macro International Inc.
11785 Beltsville Drive
Calverton, MD 20705

May 1997

OMB Clearance No. 1880-0529
Expires: 4/25/98

Survey of Institutions Participating in the Federal Direct Loan and Federal Family Education Loan Programs

Introduction

The U.S. Department of Education (ED) is currently administering two postsecondary loan programs for students—the Federal Family Education Loan Program (FFELP) and the Federal Direct Loan Program. ED has contracted Macro International Inc. to conduct an annual evaluation of these loan programs. The purpose of this survey, which is one component of the overall evaluation, is to gather information about schools' experiences with the administration of the FFEL Program, as well as their implementation and experiences with the Direct Loan Program. This information will be used to help ED better understand the two programs from the perspective of institutions such as yours as well as improve these programs in future years.

Instructions

This survey asks about your loan program experiences during the 1996/1997 academic year. We would like the Financial Aid Director to be the key respondent. However, there may be some questions that will require input from the Business Office or other offices involved with the loan programs.

This survey has been sent to your institution based on your Department of Education ID Number. Some institutions may have multiple campuses, branches, or schools within an institution that are served by separate Financial Aid Offices. If your institution is decentralized in this manner and these divisions operate under a single Department of Education ID Number, you may need to consult with other Financial Aid Offices in providing your answers or determining who should fill out the survey.

Please note that several sections of survey questions may not be applicable to your institution or specific situation. If you are 100 percent Direct Loan or 100 percent FFELP, you will only complete portions of the survey. **Please carefully review and select from the response choices in the school identification section, and only complete the sections indicated by the arrow.** Then answer the questions in these sections to the best of your ability. If you are uncertain about which sections to complete please contact us for clarification.

If your institution is a Year 4 Direct Loan School, **please complete the survey with respect to your FFELP experiences**. You will be asked to provide information regarding your Direct Loan experiences in next year's survey.

If you have further questions regarding the survey, please contact Ms. Alison Meloy at Macro International Inc., 1-800-294-0990, or Mr. Steven Zwillinger, U.S. Department of Education, Office of the Under Secretary/Planning and Evaluation Service, 600 Independence Avenue, S.W., Washington, DC 20202, (202) 401-1678. If you have specific questions regarding the electronic survey process, please call the technical assistance line at 1-800-639-2030. The Web version of the survey will be available on May 28, 1997.

Our Thanks

We know how busy Financial Aid staff are and we are grateful for your cooperation. Again, please do not hesitate to contact us with any questions or comments you may have.

To ensure that your questionnaire is received in time to be included in the survey results, please return it in the enclosed postage-paid envelope or respond via the World Wide Web (**www2.cfmc.com/ffel&dl**) by June 6, 1997.

Please return paper surveys to:
Macro International Inc.
11785 Beltsville Drive
Calverton, MD 20705
ATTN: Alison Meloy

Phone: (301) 572-0200, Toll Free: (800) 294-0990
Fax: (301) 572-0999, E-mail Address: EDINST@MACROINT.COM

Identifying Information

CONFIDENTIALITY

Identities of institutions and names of individuals will be kept strictly confidential by Macro International Inc. Identifying information will be used for followup purposes only. All information obtained from this survey will be presented to the Department of Education in aggregated form only.

In the spaces provided below, please enter the name, title, e-mail address, and telephone number of the person completing this form, and the date on which the questionnaire was completed.

Name:
Title:
Date:
E-mail Address:
Telephone Number:

If your address is different from the label on the front cover, please correct it in the space below.

School Identification

1) {ID1} Which of the following describes your institution in terms of participation in the Direct Loan and Federal Family Education Loan Programs during the 1996/1997 academic year? ***(Please check one response only, and complete the sections of the questionnaire indicated by the arrow.)***

☐{1} Institution offers FFEL loans only. School has **never** participated in the Direct Loan Program.	------------->	Please complete Sections A, F, G, H, and K.
☐{2} Institution currently offers FFEL loans only. School participated in the Direct Loan Program in 1994/1995 or 1995/1996, but no longer participates in Direct Lending.	------------->	Please complete Sections F, G, H, I, and K.
☐{3} Institution began originating loans in the Direct Loan Program in academic year 1994/1995. (Year 1 School)	------------->	Please complete Sections A, C, D, E, and K.
Institution also originates FFEL loans.	------------->	*Please also complete Sections F, G, and H.*
☐{4} Institution began originating loans in the Direct Loan Program in academic year 1995/1996. (Year 2 School)	------------->	Please complete Sections A, C, D, E, and K.
Institution also originates FFEL loans.	------------->	*Please also complete Sections F, G, and H.*
☐{5} Institution began originating loans in the Direct Loan Program in academic year 1996/1997. (Year 3 School)	------------->	Please complete Sections A, B, C, D, E, and K.
Institution also originates FFEL loans.	------------->	*Please also complete Sections F, G, and H.*
☐{6} Institution has been selected for participation in the Direct Loan Program; however, no Direct Loans have been originated.	------------->	Please complete Section I.
Institution also originates FFEL loans.	------------->	*Please also complete Sections F, G, and H.*
☐{7} Institution does not currently participate in either the Direct Loan Program or the Federal Family Education Loan Program.	------------->	Please complete Section J only.
☐{8} School closed.	------------->	Please complete Section J only.

Section A—Background Information

A1) Which of the following best characterizes the current structure of the Financial Aid Office(s) at your institution as it relates to processing loans? *(Check only one response.)*

☐{1} The institution has a single campus, branch, or school; one office administers financial aid for the entire institution.
☐{2} Each campus, branch, or school within the institution is served by a separate Financial Aid Office.
☐{3} Multiple campuses, branches, or schools within the institution are served by a single Financial Aid Office.
☐{4} Other *(Specify):* ____________________
{0S1}

A2) Please indicate the type of computer system currently used by your institution to administer student financial aid. *(Check only one response.)*

Type of System Used

☐{1} Mainframe system only

☐{2} Mainframe to personal computer (PC) with interface

☐{3} Independent mainframe and personal computers (PCS)

☐{4} Personal computers (PCS) only

☐{5} No computer system used; all manual processing

☐{6} Other *(Specify):* ____________________
{0S2}

A3) What was your total dollar Stafford (subsidized and unsubsidized) and PLUS loan volume for the **1996/97** Federal Award Year?

(Record separately for each of the applicable loan programs, and combined. Circle NA for "FFEL" or "Direct Loan," if the loan program was not offered at your institution during the 1995/96 academic year.)

{A31}	FFEL	$__________	NA
{A32}	Direct Loan	$__________	NA
{A33}	Total	$__________	NA

If you entered "zero" for your total dollar loan volume and you do not expect a change in loan volume for the 1996/97 Federal Award Year, please skip to Section J of the questionnaire.

A4) Do you expect a change in total loan volume for the 1996/97 Federal Award Year?

☐{1} Yes
☐{2} No ---------------> *(If you answered "no," skip to the next applicable section. See page 3 to review list of applicable sections.)*

If "Yes" in A4

A5) If you expect a significant change in total loan volume for the 1996/97 Federal Award Year, please indicate the expected level of change below.

Percentage increase__________% {A51} **or** Percentage decrease__________% {A52}

Section B—Initial Implementation of the Direct Loan Program
(For Year 3 Direct Loan Institutions)

B1) The following items describe various activities and processes necessary for the implementation and startup of the Direct Loan Program. This question refers to the **startup activities only**; it does not cover ongoing administration. This may be a question for which you want to consult other staff (such as the Business or Bursar's Office) involved in setting up the processes. Please rate the ease of setting up these processes at your institution using the following scale. *(Circle one rating for each activity.)*

1 = Easy to set up process at my institution
2 = Moderate level of effort required to set up process
3 = Difficult to set up process at my institution
NA = Not applicable; did not implement this process or process was implemented by a third party.

		Ease of Implementation			
	Activities and Processes	**Easy to set up process**	**Moderate level of effort required**	**Difficult to set up process**	**Not applicable**
(B11)	Installation of EDExpress into your institution's own computer system	1	2	3	NA
(B12)	Development and conduct of internal staff training on the Direct Loan Program	1	2	3	NA
(B13)	Development of procedures/materials to counsel borrowers on Direct Loans	1	2	3	NA
(B14)	Development of institutional procedures for processing loan applications and ensuring loan origination	1	2	3	NA
(B15)	Development of promissory note review and transmittal procedures	1	2	3	NA
(B16)	Development of loan disbursement procedures *(e.g., crediting student accounts)*	1	2	3	NA
(B17)	Development of internal recordkeeping and procedures for reporting to Direct Loan System *(includes tracking information on borrowers and their loans both during and after enrollment period, and communication about borrowers to ED and its contractors)*	1	2	3	NA
(B18)	Development of institutional cash management procedures *(includes estimating capital needs, tracking receipt of funds, and reporting cancellations or refunds)*	1	2	3	NA
(B19)	Development of reconciliation procedures at your institution	1	2	3	NA

BEST COPY AVAILABLE

B2) In the space below, check whether you are offering both Direct Loans and FFEL in 1996/97, or offering only Direct Loans. Then rate the items corresponding to that column *only*, as indicated by the arrow.

{B2} IF OFFERING BOTH DIRECT LOANS AND FFEL, CHECK HERE AND ANSWER THIS COLUMN. ☐{1}

IF OFFERING ONLY DIRECT LOANS, CHECK HERE AND ANSWER THIS COLUMN. ☐{2}

⇓ ⇓

	What factors influenced your decision to phase-in the Direct Loan Program? Rate each item below regarding its influences or importance in the overall decision, using the following scale: 1 = Very important 2 = Somewhat important 3 = Not at all important NA = Not applicable	**RATING**	What factors influenced your decision to switch to 100 percent Direct Loan Program? Rate each item below regarding its influences or importance in the overall decision, using the following scale: 1 = Very important 2 = Somewhat important 3 = Not at all important NA = Not applicable	**RATING**	
{B2a1}	Did not want to confuse borrowers who already had FFEL loans.		Did not want to confuse borrowers by offering two loan programs.		{B2b1}
{B2a2}	Wanted to delay full commitment until the Department of Education has gained experience with the new program.		Did not want the complexity of administering two programs simultaneously.		{B2b2}
{B2a3}	Wanted to learn how to implement the program with a small group before committing the entire institution.		Did not want to continue to administer the FFEL Program.		{B2b3}
{B2a4}	Wanted to maintain relationships with lender(s) and/or guarantor(s).		Wanted to avoid uncertainty regarding the availability of loan funds under FFEL.		{B2b4}
{B2a5}	Wanted to keep graduate/professional students in the FFEL Program.				
{B2a6}	Other *(Specify)*: ____________ {0S3} ____________		Other *(Specify)*: ____________ {0S4} ____________		{B2b5}

B3) How satisfied are you with the Department of Education's **responsiveness** to reported problems or difficulties during the implementation of the Direct Loan Program? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable,** please circle your level of satisfaction.)*

Very Satisfied | 1 2 3 4 5 | **Very Dissatisfied** ☐ **NA**

BEST COPY AVAILABLE

Section C—Administration of the Direct Loan Program

C1) How would you rate your overall level of satisfaction with each of the following activities involved in administering the Direct Loan Program? *(Circle only one rating for each activity. Circle NA for activities that you have not yet had experience with in the Direct Loan Program.)*

	Activity	Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Very Dissatisfied	NA
{C11}	Keeping up with regulations	1	2	3	4	NA
{C12}	Answering general questions about loans and financial aid	1	2	3	4	NA
{C13}	Counseling borrowers while in school	1	2	3	4	NA
{C14}	Processing origination records	1	2	3	4	NA
{C15}	Processing promissory notes	1	2	3	4	NA
{C16}	Requesting and receiving loan funds	1	2	3	4	NA
{C17}	Disbursing of loan funds *(including preparing loan checks and getting student signatures)*	1	2	3	4	NA
{C18}	Refunding excess loan funds to borrowers	1	2	3	4	NA
{C19}	Reconciliation/financial monitoring and reporting	1	2	3	4	NA
{C110}	Recordkeeping and reporting of student information *(includes SSCRs, financial aid transcripts, and updates to the Direct Loan Servicing Center or NSLDS)*	1	2	3	4	NA
{C111}	Helping students with loans after they have left school	1	2	3	4	NA

C2) How would you characterize the level of work or staff effort needed to **administer** Direct Lending on a day-to-day basis? *(Check only one response.)*

☐{1} Very easy to administer
☐{2} Relatively easy to administer, with a few areas that require a high level of effort
☐{3} A moderate amount of effort is required overall
☐{4} Relatively labor intensive to administer, with many areas that require a high level of effort
☐{5} Very labor intensive to administer

BEST COPY AVAILABLE

C3) Listed below are resources needed for the delivery of financial aid that may have changed at your institution due to the implementation of the Direct Loan Program. Please indicate if **increases or decreases** have occurred or will occur during the 1996/97 academic year for each type of resource. This question refers **only** to changes that are a **direct result** of implementation of the Direct Loan Program. *(Circle one rating for each resource.)*

	Resource	**Level of Change**				
		Significant Decrease	**Small Decrease**	**No Change**	**Small Increase**	**Significant Increase**
{C31}	Number of permanent or temporary staff positions related to financial aid	1	2	3	4	5
{C32}	Number of staff positions in Accounting or Business Office	1	2	3	4	5
{C33}	Number of staff used for technical support	1	2	3	4	5
{C34}	Number of hours current staff work	1	2	3	4	5
{C35}	Equipment/computers	1	2	3	4	5
{C36}	Supplies *(postage, copying, etc.)*	1	2	3	4	5
{C37}	Funds for training	1	2	3	4	5
{C38}	Funds for staff travel	1	2	3	4	5
{C39}	Development/modification of computer programs/procedures	1	2	3	4	5
{C310}	Other *(Specify)*: ____________ {OS5}	1	2	3	4	5

C4) Did the number of short-term loans (i.e., bridge loans) issued by your institution increase, decrease, or remain about the same during the 1996/97 academic year?

☐{1} Increased

☐{2} Decreased

☐{3} Remained about the same

☐{9} Not applicable (institution does not issue short-term loans)

BEST COPY AVAILABLE

C5) For each of the specific administrative functions listed in the table below, please indicate the level of change in workload (if any) resulting from implementation of the Direct Loan Program. *(Circle one rating for each administrative function.)*

	Administrative Function	**Level of Change in Workload**				
		Significant Decrease	**Small Decrease**	**No Change**	**Small Increase**	**Significant Increase**
{C51}	First, please indicate the **overall** level of change in workload at your institution due to implementation of Direct Loans.	1	2	3	4	5
{C52}	Training Financial Aid staff	1	2	3	4	5
{C53}	Counseling borrowers on Direct Loan Program	1	2	3	4	5
{C54}	Processing loan applications/creating origination records	1	2	3	4	5
{C55}	Verifying enrollment	1	2	3	4	5
{C56}	Advising students on status of loans	1	2	3	4	5
{C57}	Requesting and receiving loan funds by institution	1	2	3	4	5
{C58}	Disbursing loan funds to students	1	2	3	4	5
{C59}	Recordkeeping and reporting *(includes tracking information on borrowers and their loans both during and after enrollment period, and communication about borrowers to other organizations)*	1	2	3	4	5
{C510}	Cash management *(includes cancellations/refunds)*	1	2	3	4	5
{C511}	Reconciliation	1	2	3	4	5

C6) If you indicated an overall change in workload resulting from implementation of Direct Loans in Question 5, please specify whether you think the change is **temporary** (i.e., will occur only during the initial phase of the process) or **permanent** (i.e., will continue in the regular operation of the Direct Loan Program).

☐{1} Temporary
☐{2} Permanent

BEST COPY AVAILABLE

C7) Please check the statements below that apply to your perception of staffing or workload changes related to your institution's implementation of the Direct Loan Program. *(Check all that apply.)*

{C71} ☐{1} Staff have been shifted to work on different financial aid functions.
{C72} ☐{1} Staff have been freed to work on other activities outside of financial aid.
{C73} ☐{1} Staff have been released to other departments or released from the institution.
{C74} ☐{1} Staff are working extra hours to accommodate the added activities.
{C75} ☐{1} Extra staff have been hired at the institution to accommodate the added activities.

C8) Which of the following describes the current software configuration used by your institution to process Direct Loans? *(Check all that apply.)*

{C81} ☐{1} EDExpress software
{C82} ☐{1} Commercial software
{C83} ☐{1} Software developed internally
{C84} ☐{1} Other *(Specify)*: ________________________________
{0S6}

C9) How satisfied are you with the software configuration used by your institution to process Direct Loans as it relates to each of the following performance areas? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied**, please circle your level of satisfaction.)*

	Performance Area	**Very Satisfied 1**	**2**	**3**	**4**	**Very Dissatisfied 5**
{C91}	Overall usefulness of software *(i.e., the extent to which it can adequately perform the functions required)*	1	2	3	4	5
{C92}	Ease of integration and compatibility with your previously existing system	1	2	3	4	5
{C93}	Processing efficiency *(e.g., the ability to batch- process or process multiple types of loans)*	1	2	3	4	5

C10) Please indicate whether you are currently participating in the Direct Loan Program as an option one, option two, or option three institution (as defined by the Department of Education). *(Check only one.)*

☐{1} Option 1/Partial Origination (formerly level two institution)

☐{2} Option 2/Full Origination (formerly level one institution)

☐{3} Option 3/Standard Origination (formerly level three institution)

Section D—Information and Support from the Department of Education (Direct Loan Institutions)

D1) Following is a list of Direct Loan Program information or support that you may have received from the Department of Education or its servicer during the 1996/97 academic year. For each item:

a) **Using a scale of 1-5, with 1 being very timely and 5 being not at all timely**, rate (by circling the appropriate number), the timeliness of the information/support for your needs and activities.

b) **Using a scale of 1-5, with 1 being very useful and 5 being not at all useful**, rate (by circling the appropriate number), the usefulness of the information/support in providing the instruction or service needed by your institution.

(Circle NA if you have not received the information/support from ED.)

	Materials/Training Provided by ED	(a) Timeliness						(b) Usefulness						
{D1a1}	Information on Direct Loan Program rules and regulations	1	2	3	4	5	NA	1	2	3	4	5	NA	{D1b1}
{D1a2}	Telephone support for policy or administrative guidance	1	2	3	4	5	NA	1	2	3	4	5	NA	{D1b2}
{D1a3}	Direct Loan Users Guide	1	2	3	4	5	NA	1	2	3	4	5	NA	{D1b3}
{D1a4}	In-person assistance	1	2	3	4	5	NA	1	2	3	4	5	NA	{D1b4}
{D1a5}	Borrower counseling materials	1	2	3	4	5	NA	1	2	3	4	5	NA	{D1b5}
{D1a6}	Training materials for counselors	1	2	3	4	5	NA	1	2	3	4	5	NA	{D1b6}
{D1a7}	Entrance/exit counseling videos	1	2	3	4	5	NA	1	2	3	4	5	NA	{D1b7}
{D1a8}	Pre-printed promissory notes	1	2	3	4	5	NA	1	2	3	4	5	NA	{D1b8}
{D1a9}	Reconciliation guide	1	2	3	4	5	NA	1	2	3	4	5	NA	{D1b9}
{D1a10}	Consolidation booklet	1	2	3	4	5	NA	1	2	3	4	5	NA	{D1b10}
{D1a11}	Loan origination support	1	2	3	4	5	NA	1	2	3	4	5	NA	{D1b11}
{D1a12}	Loan reconciliation support	1	2	3	4	5	NA	1	2	3	4	5	NA	{D1b12}
{D1a13}	Training and technical support	1	2	3	4	5	NA	1	2	3	4	5	NA	{D1b13}
{D1a14}	Software for administration or reporting functions	1	2	3	4	5	NA	1	2	3	4	5	NA	{D1b14}
{D1a15}	Videoconferences	1	2	3	4	5	NA	1	2	3	4	5	NA	{D1b15}

D2) Does your institution have any type of communication or interaction with the Department of Education (or its servicer) **regarding loan repayment and/or consolidation**?

☐{1} Yes
☐{2} No ------> *(If you answered "no," skip to Question D7.)*

BEST COPY AVAILABLE

If "Yes" in D2

D3) For each of the following **consolidation** activities, please indicate the frequency of occurrence at your institution. *(Circle the appropriate rating.)*

	Consolidation Activities	Frequently	Sometimes	Seldom	Never
{D31}	Refer borrowers to loan originator contractor for consolidation information and/or materials	1	2	3	4
{D32}	Contact loan originator contractor directly to obtain forms/information	1	2	3	4
{D33}	Intervene with loan originator contractor at the request of borrowers	1	2	3	4
{D34}	{OS7} Other interaction with loan originator contractor *(Specify)*: ____________	1	2	3	4

D4) For each of the following **loan repayment** activities, please indicate the frequency of occurrence at your institution. *(Circle the appropriate rating.)*

	Loan Repayment Activities	Frequently	Sometimes	Seldom	Never
{D41}	Refer borrowers to loan originator contractor for loan repayment information and/or materials	1	2	3	4
{D42}	Contact loan originator contractor directly to obtain forms/information	1	2	3	4
{D43}	Intervene with loan originator contractor at the request of borrowers	1	2	3	4
{D44}	{OS8} Other interaction with loan originator contractor *(Specify)*: ____________	1	2	3	4

D5) Overall, how satisfied are you with the communications that you have had with the Department of Education (or its servicer) concerning loan repayment and consolidation? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable****, please circle your level of satisfaction.)*

	Type of Communication	Very Satisfied 1	2	3	4	Very Dissatisfied 5
{D51}	Loan repayment	1	2	3	4	5
{D52}	In-school Direct Loan consolidation	1	2	3	4	5
{D53}	Out-of-school Direct Loan consolidation	1	2	3	4	5

D6) In the table below, please rate your level of satisfaction with the timeliness and clarity of the Department of Education's loan **repayment** regulations. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable,*** *please rate your level of satisfaction with the guidelines provided for each of the following loan repayment options.)*

	Loan Repayment Options	**(a) Timeliness**						**(b) Clarity**						
{D6a1}	Standard repayment plan	1	2	3	4	5	NA	1	2	3	4	5	NA	{D6b1}
{D6a2}	Income-contingent repayment plan	1	2	3	4	5	NA	1	2	3	4	5	NA	{D6b2}
{D6a3}	Extended repayment plan	1	2	3	4	5	NA	1	2	3	4	5	NA	{D6b3}
{D6a4}	Graduated repayment plan	1	2	3	4	5	NA	1	2	3	4	5	NA	{D6b4}

D7) In the table below, please rate your level of satisfaction with the timeliness and clarity of the Department of Education's **consolidation** guidelines. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable,*** *please rate your level of satisfaction with the guidelines issued for each of the following consolidation components.)*

	Type of Consolidation	**(a) Timeliness**						**(b) Clarity**						
{D7a1}	In-school Direct Loan consolidation	1	2	3	4	5	NA	1	2	3	4	5	NA	{D7b1}
{D7a2}	Out-of-school Direct Loan consolidation	1	2	3	4	5	NA	1	2	3	4	5	NA	{D7b2}
{D7a3}	In-school FFEL consolidation	1	2	3	4	5	NA	1	2	3	4	5	NA	{D7b3}
{D7a4}	Out-of-school FFEL consolidation	1	2	3	4	5	NA	1	2	3	4	5	NA	{D7b4}

D8) Has your institution had any contact with the Direct Loan client account managers in the Department of Education's Regional Office for your area?

☐{1} Yes
☐{2} No ------> *(If you answered "no," skip to Section E.)*

If "Yes" in D8

D9) How would you describe the level of interaction between your institution and the Direct Loan client account managers in the Regional Office? *(Check only one response.)*

☐{1} Extensive interaction
☐{2} Some interaction
☐{3} Very little interaction

D10) Were the contacts with the Direct Loan client account managers in the Regional Office initiated by your institution, the Regional Office, or both? *(Check only one response.)*

☐{1} Institution
☐{2} Regional Office
☐{3} Both the institution and the Regional Office

D11) Following is a list of possible reasons for contact with the Department of Education's Regional Office. For each item:

a) **Using a scale of 1-5, with 1 being very timely and 5 being not at all timely**, rate (by circling the appropriate number), the timeliness of the training/support you received in meeting your needs.

b) **Using a scale of 1-5, with 1 being very useful and 5 being not at all useful**, rate (by circling the appropriate number), the usefulness of the training/support you received in meeting your needs.

(Circle NA if you have not received the listed training/support from the Regional Office.)

	Contact with the ED Regional Office	(a) Timeliness						(b) Usefulness						
{D11a1}	Training received at the Regional Office (or at a designated facility)	1	2	3	4	5	NA	1	2	3	4	5	NA	{D11b1}
{D11a2}	Training/guidance delivered by account managers at your institution	1	2	3	4	5	NA	1	2	3	4	5	NA	{D11b2}
{D11a3}	Questions regarding Direct Loan policy	1	2	3	4	5	NA	1	2	3	4	5	NA	{D11b3}
{D11a4}	Entrance/exit counseling issues	1	2	3	4	5	NA	1	2	3	4	5	NA	{D11b4}
{D11a5}	Requests for ED-provided materials	1	2	3	4	5	NA	1	2	3	4	5	NA	{D11b5}
{D11a6}	Questions/issues regarding computer systems design or implementation	1	2	3	4	5	NA	1	2	3	4	5	NA	{D11b6}
{D11a7}	Questions/issues regarding loan origination	1	2	3	4	5	NA	1	2	3	4	5	NA	{D11b7}
{D11a8}	Questions/issues regarding disbursement and/or refunding of excess funds to borrowers	1	2	3	4	5	NA	1	2	3	4	5	NA	{D11b8}
{D11a9}	Computer-related reconciliation issues	1	2	3	4	5	NA	1	2	3	4	5	NA	{D11b9}
{D11a10}	Accounting-related reconciliation issues	1	2	3	4	5	NA	1	2	3	4	5	NA	{D11b10}
{D11a11}	Inquiries requesting appropriate sources of contact for specific questions relating to the loan process	1	2	3	4	5	NA	1	2	3	4	5	NA	{D11b11}

Section E—Overall Impressions of the Direct Loan Program

E1) Please review the statements about the Direct Loan Program listed below. Then in the appropriate column:

a) Indicate any statements that describe the most important attributes of the Direct Loan Program for your institution. Please check **up to three** benefits.

b) Indicate any statements that describe areas of the Direct Loan Program where your expectations were unmet. ***(Check all that apply.)***

Attribute of Direct Loan Program	Most Important Benefits	Unmet Expectations	
Borrowers are served well through the Direct Loan Program.			{E1a1, E1b1}
The Direct Loan Program is simple to administer.			{E1a2, E1b2}
The Direct Loan Program is viable.			{E1a3, E1b3}
The availability of loan funds is predictable in the Direct Loan Program.			{E1a4, E1b4}
The Direct Loan Program is cost-effective to administer.			{E1a5, E1b5}
The flexibility of loan repayment options is beneficial to borrowers.			{E1a6, E1b6}

E2) Please rate your general satisfaction with the Direct Loan Program up to this point. ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied,*** *circle your level of satisfaction.)*

Very Satisfied | 1 2 3 4 5 | **Very Dissatisfied**

E3) Compared to the 1995/96 academic year, has your overall level of satisfaction this year with the Federal Student Loan process increased, decreased, or remained the same?

☐{1} Increased

☐{2} Decreased

☐{3} Remained the same

BEST COPY AVAILABLE

E4) What is the most important advice you would give another institution that was preparing to implement the Direct Loan Program? {OE1}

Questions E5 and E6 are only for institutions that are still participating in FFELP. If you are 100% Direct Loan, please skip to Question E7.

E5) Now that you are administering both programs, how satisfied are you with the **FFEL Program** as it currently is operating? ***(Using a scale of 1-5, with 1 being very satisfied and 5 being very dissatisfied,** please circle your level of satisfaction.)*

Very Satisfied	1	2	3	4	5	**Very Dissatisfied**

E6) For the following areas of **FFEL Program** administration, please rate any changes in FFEL since the introduction of the Direct Loan Program, using the following scale:

1 = Improved
2 = The same, no changes
3 = Worsened
DK/NA = Don't Know/Not Applicable

	FFEL Program Administration	Improved	Same	Worsened	DK/NA
{E61}	Student access to loans	1	2	3	DK/NA
{E62}	Ease of administration of FFEL	1	2	3	DK/NA
{E63}	Service from banks/guarantee agencies	1	2	3	DK/NA
{E64}	Service from loan servicers/collection agencies	1	2	3	DK/NA
{E65}	Service from your third party or privately contracted servicers	1	2	3	DK/NA

E7) What specific recommendations would you give to the Department of Education on how to improve the administration of the Direct Loan Program? *(List up to two recommendations.)* {OE2}

BEST COPY AVAILABLE

Section F—Administration of the FFEL Program

F1) How would you rate your current level of satisfaction with each of the following activities involved in administering the Federal Family Education Loan Program? *(Circle only one rating for each activity. Circle NA for activities that you have not yet had experience with in the Federal Family Education Loan Program.)*

	Activity	Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Very Dissatisfied	NA
{F11}	Keeping up with regulations	1	2	3	4	NA
{F12}	Answering general questions about loans and financial aid	1	2	3	4	NA
{F13}	Counseling borrowers while in school	1	2	3	4	NA
{F14}	Processing of loan applications	1	2	3	4	NA
{F15}	Requesting and receiving loan funds	1	2	3	4	NA
{F16}	Disbursing loan funds *(including preparing loan checks and getting student signatures)*	1	2	3	4	NA
{F17}	Refunding excess loan funds to students	1	2	3	4	NA
{F18}	Reconciliation/financial monitoring and reporting	1	2	3	4	NA
{F19}	Recordkeeping and reporting of student information *(includes SSCRs, financial aid transcripts, and updates to NSLDS)*	1	2	3	4	NA
{F110}	Helping students with loans after they have left school	1	2	3	4	NA

F2) How would you characterize the level of work or staff effort needed to **administer** this program on a day-to-day basis? *(Check only one response. If you are using EFT and manual processing, please take both into account when answering.)*

☐{1} Very easy to administer
☐{2} Relatively easy to administer, with a few areas that require a high level of effort
☐{3} A moderate amount of effort is required overall
☐{4} Relatively labor intensive to administer, with many areas that require a high level of effort
☐{5} Very labor intensive to administer

BEST COPY AVAILABLE

F3) Listed below are resources needed for the delivery of financial aid that may have changed at your institution. Please indicate if **increases or decreases** have occurred or will occur during the 1996/97 academic year by circling one number for each type of resource. This question refers **only** to changes that are a direct result of changes in the FFEL Program and that occurred or are budgeted to occur in the 1996/97 Federal Award Year. *(Circle one rating for each resource.)*

	Resource	Level of Change				
		Significant Decrease	**Small Decrease**	**No Change**	**Small Increase**	**Significant Increase**
{F31}	Number of permanent or temporary staff positions related to financial aid	1	2	3	4	5
{F32}	Number of staff positions in Accounting or Business Office	1	2	3	4	5
{F33}	Number of staff used for technical support	1	2	3	4	5
{F34}	Number of hours current staff work	1	2	3	4	5
{F35}	Equipment/computers	1	2	3	4	5
{F36}	Supplies *(postage, copying, etc.)*	1	2	3	4	5
{F37}	Funds for training	1	2	3	4	5
{F38}	Funds for staff travel	1	2	3	4	5
{F39}	Development/modification of computer programs/procedures	1	2	3	4	5
{F310}	Other *(Specify)*: ____________ {OS9} ____________	1	2	3	4	5

F4) Did the number of short-term loans (i.e., bridge loans) issued by your institution increase, decrease, or remain about the same during the 1996/97 academic year?

☐ {1} Increased
☐ {2} Decreased
☐ {3} Remained about the same
☐ {4} Not applicable (institution does not issue short-term loans)

F5) How many lenders do you deal with on a regular basis in the FFEL Program? *(Check only one response.)*

☐ {1} 1-2 lenders
☐ {2} 3-5 lenders
☐ {3} 6-10 lenders
☐ {4} 11-20 lenders
☐ {5} More than 20 lenders

BEST COPY AVAILABLE

F6) How many guarantee agencies do you deal with on a regular basis in the FFEL Program? *(Check only one response.)*

☐{1} 1 guarantee agency
☐{2} 2-3 guarantee agencies
☐{3} 4-5 guarantee agencies
☐{4} More than 5 guarantee agencies

F7) Does your institution use electronic funds transfer (EFT) to administer the FFEL Program?

☐{1} Yes
☐{2} No --------------> *(If you answered "no," skip to Section G.)*

If "Yes" in F7

F8) What percentage of your FFEL Program loans are processed through EFT?

________________%

Section G—Information and Support from the Department of Education, Lenders, and Guarantee Agencies (FFEL Institutions)

G1) Following is a list of FFEL Program information or support that you may have received from the Department of Education, your primary lender, or your primary guarantor during the 1996/97 academic year. For each item and each source of information or support:

a) **Using a scale of 1-5, with 1 being very timely and 5 being not at all timely**, rate (by circling the appropriate number) the timeliness of the information/support for your needs and activities.

b) **Using a scale of 1-5, with 1 being very useful and 5 being not at all useful**, rate (by circling the appropriate number) the usefulness of the information/support. By usefulness, we mean effectiveness in providing the instructions or services needed by your institution.

(Circle NA if you have not received the information/support from the specified source.)

	Materials/Training Provided by ED	**(a) Timeliness**						**(b) Usefulness**						
{G1a1}	Information on FFEL Program rules and regulations	1	2	3	4	5	NA	1	2	3	4	5	NA	{G1b1}
{G1a2}	Telephone support for policy or administrative guidance	1	2	3	4	5	NA	1	2	3	4	5	NA	{G1b2}
{G1a3}	Borrower counseling materials	1	2	3	4	5	NA	1	2	3	4	5	NA	{G1b3}
{G1a4}	Training sessions	1	2	3	4	5	NA	1	2	3	4	5	NA	{G1b4}
{G1a5}	Software for administration or reporting functions	1	2	3	4	5	NA	1	2	3	4	5	NA	{G1b5}
	Materials/Training Provided by Primary Lender (or Servicer)	**(a) Timeliness**						**(b) Usefulness**						
{G1a6}	Information on FFEL Program rules and regulations	1	2	3	4	5	NA	1	2	3	4	5	NA	{G1b6}
{G1a7}	Telephone support for policy or administrative guidance	1	2	3	4	5	NA	1	2	3	4	5	NA	{G1b7}
{G1a8}	Borrower counseling materials	1	2	3	4	5	NA	1	2	3	4	5	NA	{G1b8}
{G1a9}	Training sessions	1	2	3	4	5	NA	1	2	3	4	5	NA	{G1b9}
{G1a10}	Software for administration or reporting functions	1	2	3	4	5	NA	1	2	3	4	5	NA	{G1b10}

G1) **(Communications and Support, Continued)**

	Materials/Training Provided by Primary Guarantor	(a) Timeliness						(b) Usefulness						
{G1a11}	Information on FFEL Program rules and regulations	1	2	3	4	5	NA	1	2	3	4	5	NA	{G1b11}
{G1a12}	Telephone support for policy or administrative guidance	1	2	3	4	5	NA	1	2	3	4	5	NA	{G1b12}
{G1a13}	Borrower counseling materials	1	2	3	4	5	NA	1	2	3	4	5	NA	{G1b13}
{G1a14}	Training sessions	1	2	3	4	5	NA	1	2	3	4	5	NA	{G1b14}
{G1a15}	Software for administration or reporting functions	1	2	3	4	5	NA	1	2	3	4	5	NA	{G1b15}

G2) What percentage of your loan volume is handled by your **primary** lender?

__________%

G3) What percentage of your loan volume is handled by your **primary** guarantee agency?

__________%

G4) Does your institution have any type of communication or interaction with your FFEL servicer(s) **regarding loan repayment and/or consolidation**?

☐{1} Yes
☐{2} No ---------> *(If you answered "no," skip to Section H.)*

BEST COPY AVAILABLE

If "Yes" in G4

G5) For each of the following **consolidation activities**, please indicate the frequency of occurrence at your institution. *(Circle the appropriate rating.)*

	Consolidation Activities	Frequently	Sometimes	Seldom	Never
{G51}	Refer borrowers to servicer(s) for Information and/or materials	1	2	3	4
{G52}	Contact servicer(s) directly to obtain forms/information	1	2	3	4
{G53}	Intervene with servicer(s) at the request of borrowers	1	2	3	4
{G54}	Other interaction with servicer(s) {0S10} *(Specify):* ____________________ ____________________	1	2	3	4

G6) For each of the following **loan repayment activities,** please indicate the frequency of occurrence at your institution. *(Circle the appropriate rating.)*

	Loan Repayment Activities	Frequently	Sometimes	Seldom	Never
{G61}	Refer borrowers to service(s) for information and/or materials	1	2	3	4
{G62}	Contact servicer(s) directly to obtain forms/information	1	2	3	4
{G63}	Intervene with servicer(s) at the request of borrowers	1	2	3	4
{G64}	Other interaction with servicer(s) {0S11} *(Specify):* ____________________ ____________________	1	2	3	4

G7) **Overall**, how satisfied are you with the communications that you have had with your FFEL servicer concerning loan repayment and consolidation? ***(Using a scale of 1 to 5, with 1 being very satisfied and 5 being very dissatisfied, or NA for not applicable****, please circle your level of satisfaction .)*

	Type of Communication	Very Satisfied 1	2	3	4	Very Dissatisfied 5
{G71}	Loan repayment	1	2	3	4	5
{G72}	In-school FFEL consolidation	1	2	3	4	5
{G73}	Out-of-school FFEL consolidation	1	2	3	4	5

Section H—Overall Impressions of the Federal Family Education Loan Program

H1) Please review the statements about the FFEL Program listed below. Then in the appropriate column:

a) Indicate any statements that describe the most important attributes of the FFEL Program for your institution. Please check **up to three** benefits.

b) Indicate any statements that describe areas of the FFEL Program where your expectations were unmet. ***(Check all that apply.)***

Attribute of FFEL Program	**Most Important Benefits**	**Unmet Expectations**	
Borrowers are served well through the FFEL Program.			{H1a1, H1b1}
The FFEL Program is simple to administer.			{H1a2,H1b2}
The FFEL Program is viable.			{H1a3, H1b3}
The availability of loan funds is predictable in the FFEL Program.			{H1a4, H1b4}
The FFEL Program is cost-effective to administer.			{H1a5, H1b5}
The flexibility of loan repayment options is beneficial to borrowers.			{H1a6, H1b6}

H2) Please rate your general satisfaction with the Federal Family Education Loan Program. (**Using a scale of 1 to 5, *with 1 being very satisfied and 5 being very dissatisfied,*** please circle your level of satisfaction.)

Very Satisfied	1	2	3	4	5	**Very Dissatisfied**

H3) Compared to the 1995/96 academic year, has your overall level of satisfaction with the Federal student loan process increased, decreased, or remained the same?

☐ {1} Increased

☐ {2} Decreased

☐ {3} Remained the same

BEST COPY AVAILABLE

197

H4) Which of the following statements describes your status or plans for participation in the Direct Loan Program? *(Check only one response.)*

☐(1) Currently participating in the Direct Loan Program

☐(2) Accepted into Direct Loan Program, but did not participate

☐(3) Applied for Year 4 of the Direct Loan Program; application accepted or pending

☐(4) Will apply for Year 5 of the Direct Loan Program

☐(5) Application for Direct Loan Program rejected

☐(6) Not planning to apply for Direct Loan Program

H5) What specific recommendations would you give to the Department of Education or loan servicers on how to improve the administration of the FFEL Program? *(List up to two recommendations.)* {0E3}

Section I—Institution No Longer Participates in Direct Loan Program or No Direct Loans Have Been Originated

I1) When did your institution originally begin participating in the Direct Loan Program?

☐{1} Academic year 1994/95
☐{2} Academic year 1995/96

I2) When did your institution stop participating in the Direct Loan Program?

☐{1} Academic year 1994/95
☐{2} Academic year 1995/96
☐{3} Still participating—institution currently participates in Direct Lending; however, no loans have been originated *(If you answered "still participating," skip to Section K.)*

If you stopped participating in Direct Loan Program

I3) Please indicate (in the space below) why your institution is no longer participating in the Direct Loan Program. {0E4}

Section J—Institution Does Not Currently Offer Federal Student Loans or Indicated "Zero" Loan Volume

J1) When did your institution last originate Federal student loans?

☐(1) Academic year 1995/96

☐(2) Academic year: ______ (J1a)

☐(3) Institution has never participated in the Federal Student Loan Program. *(If you answered "never participated," skip to the end.)*

If you stopped originating Federal student loans

J2) During the last year in which your institution originated Federal student loans, in which program did you participate?

☐(1) Direct Loan

☐(2) FFEL

☐(3) Both

Section K—Survey Issues

K1) Do you have any suggestions or comments on this survey? {OE5}

K2) Do you have suggestions on ways to improve future surveys or reduce their burden to you? {OE6}

THANK YOU VERY MUCH FOR TAKING THE TIME TO FILL OUT THIS QUESTIONNAIRE.